Daily Report

Latin America

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Cuba

ANPP Candidates Congratulate Castro for Nomination

FL2601235793 Havana Radio Reloj Network in Spanish 2032 GMT 26 Jan 93

[Text] On 26 January, the 108 deputy candidates to the National Assembly of the People's Government [ANPP] for Havana sent to Commander in Chief Fidel Castro a certificate of recognition for his nomination to the most important body of the government. Each of the nominees signed the certificate for Fidel at the end of an official welcome ceremony for the future parliamentarians held at the Museum of the Revolution by the Communist Party of Cuba [PCC] and mass organizations of Havana.

Jorge Lezcano, the PCC first secretary for Havana, presented certificates of recognition to the candidates and explained to the participants the characteristics of the first phase of the electoral process. Lezcano said that electoral commissions have been created for the 35 districts of the province and that almost 1,000 new voting schools have been created for the 24 February elections.

Castro Welcomes Italian Businessman Benetton

PA2501201493 Havana Radio Havana Cuba in Spanish 1300 GMT 24 Jan 93

[Text] Cuban Chief of State Fidel Castro welcomed Luciano Benetton, president of the world-famous Italian firm United Colors of Benetton, in Havana. Benetton announced the opening of seven Benetton stores in Cuba, one of which was opened in the Comodoro Hotel Shopping Center on 22 January.

At the end of his meeting with the Cuban leader, the Italian businessman said Fidel Castro is a very charismatic and visionary man. He said that they talked about Cuban history and the current situation in Cuba, Italy, and Europe.

In statements to PRENSA LATINA, Benetton, senator for the Italian Republican Party, said that he will launch a publicity campaign on Cuba through his magazine COLOR, a publication sold in 40 countries. Benetton said his company will increase investments in Cuba, a nation that is very popular overseas. For this reason, he urged all countries in the world to cooperate with it. The Italian businessman said he hopes the U.S. blockade against Cuba will end. He said that it is a problem of wills. It is a problem with solutions, not a disease without a cure, he concluded.

Water Emergency Decree Extended in Santiago de Cuba

FL2501191893 Havana Radio Rebelde Network in Spanish 1800 GMT 25 Jan 93

[Text] The continuing drought in Santiago de Cuba has caused the extension of the water emergency decree and forced the adoption of new emergency measures. The new special measures issued over the weekend by the ministry of that sector include ensuring the stable pumping and piping of about 1,500 liters per second of water to Santiago de Cuba from the Carlos Manuel de Cespedes Reservoir through a pumping station, for which the earthmoving phase of construction has started near the reservoir.

It was also decided to build a tunnel to transport water from the Mogote Reservoir in Contramaestre Municipality to the Gilbert Reservoir, about 30 km away. Added to this is the study and design of the Caney II Dam to divert the waters of the Caney River by gravity through a tunnel to the Gilbert Reservoir. Also, the site is now being prepared for building the Caney I Dam for moving its waters to the Gota Blanca Reservoir. Likewise, it was decided to design and build a pumping station at the tail of the Gota Blanca Reservoir, using pumping equipment that will be borrowed from the Cauto del Paso station.

In providing this information to this newscast, Aqueducts and Sewers Provincial Director Emigdio Lamarte explained that 30 construction projects have been approved for immediate execution, including eight new water pipelines, one diversion, one dam, two branch channels, three more pumping stations, and a distribution record. From him, we heard about the current scope of the water shortage in Santiago de Cuba, which is why the Parada Reservoir has only 63 days' worth of water left, with its low volume of 3.8 million cubic meters.

This is the reservoir that supplies the Rente thermoelectric plant and all the residents living near the industrial zone, which is what makes the situation even more worrisome. Now, Santiago residents are receiving 40.5 million gallons of water per day, but this is not due to rainfall but to the new strategy and projects undertaken with great urgency since August and which have already cost the country more than 5 million pesos.

Gen Raul Castro Tours Eastern Provinces

FL2601130093 Havana Tele Rebelde and Cuba Vision Network in Spanish 0100 GMT 26 Jan 93

[Text] Army General Raul Castro is touring Via Mulata highway, a monumental work That crosses three provinces and their eight municipalities in the north of the eastern region. Division General Ulises Rosales del Toro, a Politburo member and chief of the General Staff; Div. Gen. Leopoldo Cintra, a Politburo member and the chief of the Western Army; Div. Gen. Ramon Espinosa and Div. Gen. Joaquin Quintas, the chiefs of the Eastern and Central Armies respectively; Brigadier Gen. Nestor

Lopez Cuba, the chief of the Revolutionary Armed Forces [FAR] Political Directorate; Francisco Garcia Ferrer, the first secretary of the Communist Party of Cuba [PCC] for Holguin Provine; and Central Committee member Jorge Risquet are also participating in the trip.

The FAR minister's trip through the eastern Army region was characterized by a thorough inspection of the major road in the northern mountains of the eastern region, the Via Mulata. At Las Cumbres, Raul visited military units, agricultural-livestock economic centers, social facilities, and held fortuitous meetings with local residents. In Mella municipality, where the Via Mulata ends, an overpass is about to be completed over the railroad tracks to prevent tragic traffic accidents. From here, Raul Castro continued northbound on the Via Mulata, which climbs to Pinares del Mayari and descends from Bandera Hill to Mayari City.

The purpose of this trip was to verify how the dangerous inclination of this road has been reduced; since its construction 50 years ago there have been hundreds of deaths and injuries in accidents on this road. In Mayari, Raul and his companions were pleased with the organic farming project. Great progress has been made in the few months since Raul first proposed this project. The earth-moving work as well as the workers' housing has been completed, most of the planters have been built, several have been planted, and some have already been harvested. From here they again proceeded southeast toward Mayari Arriba, where there is another organic farming project on the runway of an old airport.

Esteban Lazo, the PCC first secretary for Santiago de Cuba Province and a Politburo member, joined them upon their arrival in the province. On this trip, there was always time to render homage; a simple wreath was laid at the tomb of the Second Front martyrs. In this area, they also made a brief stop at Micara's Military Studies Center. The group continued traveling until they reached La Alcarraza, where they left the Via Mulata and traveled several kilometers south to reach Sabaneta's agricultural-forestry enterprise. Central Committee members Eugenio Cuevas, the PCC first secretary for Guantanamo Province, and Vladimir Diaz, the PCC first secretary for El Salvador Municipality, joined the group at this point.

During the meeting, Major Reymundo Duran, the chief of El Salvador Municipal General Staff, briefed the visitors on the combat readiness of the people's forces, which defend this municipality, and the preparation of the theater of operations. In turn, Noel Telles, the chief of Sabaneta's Defense Council, also briefed the visitors. Lieutenant Colonel Duenes, the chief of the general staff of a light mountain brigade that works with the Territorial Troops Militia, the production and defense brigades, and all the people of the vast region of the northeastern mountain range, was invited to brief the visitors.

At this meeting, the high-ranking military chiefs who accompanied him spoke. The FAR minister reflected on our mountains' status as an unconquerable bulwark. He stated that the saturation of troops of different types is such that now we must expand on two major tasks: improve command cadre training at the different levels and improve combat cooperation of the different types of forces.

To the north, the group [words indistinct] Naranjo Agrio in Sagua de Tanamo municipality. When they reached this point, they turned south by another road further to the east, also built by the Army, until they again reached the central highway heading toward Bernardo, in the north of Yateras Municipality. During the entire trip, Raul heard from Div. Gen. Ramon Espinosa Martin, the Eastern Army chief, about the supplementary projects that must be completed to improve the formidable highway. This route made it possible to make a brief visit to the EJT [Youth Labor Army] women's company in Arroyo del Medio, where Raul met with those selfless women.

The culminating point of the day, a place named Frijoles, was the provisional headquarters of the Desembarco del Duaba Agricultural-Forestry Enterprise, which is headed by the legendary Pancho Gonzalez, up to that day a FAR colonel. In compliance with instructions from the commander in chief, a few hours later he was promoted to brigadier general, but that unforgettable day deserves a special report.

Nickel Industry Said in 'Developmental Phase'

PA2301041993 Havana Radio Havana Cuba in Spanish 0000 GMT 23 Jan 93

[Commentary by Roberto Morejon]

[Text] Cuba's nickel industry is in a developmental phase. It is also trying to resolve the fuel shortage problem and the instability in the arrival of raw materials essential to keep functioning.

Cuban experts have ordered the construction of an important plant for the production of nickel and cobalt for exports. This plant is 70 percent finished. It will have a most important function because it will process highly pure minerals when it begins operating at the beginning of 1994.

By producing nickel and cobalt, which are in great demand on the international market, Cuba will have taken a big qualitative step in this economic field. Once this plant is opened, Cuba will have four plants for processing this mineral, on which the economic future of the island depends to a great extent.

Because the country has unique nickel production potential, local experts view this metallic element as a vital source of foreign exchange income. Cuba's nickel reserves are estimated to be 37.3 percent of the world's

total and they are practically on the surface in open pit deposits, which brings exploitation costs down.

It is estimated that Cuba's nickel reserves amount to 20 million tons, good for at least 200 years at an exploitation rate of 200 tons annually, the expected future rate.

Right now this rate will not be reached because, prior to achieving that level, work aimed at enhancing efficiency and modernizing our technology must yield fruit and the fourth processing plant must be operational.

Cuba's nickel industry had some problems in 1992, to the point that production was 25 percent below the 50,000-ton level expected for 1992. The problems included instability in the arrival of raw materials and fuel shortages.

Cuba's nickel sector has been suffering from shortages in essential resources that used to come from the extinct socialist camp. The ingenuity of technicians and new forms of cooperation indicate, however, that this strategic sector will be reactivated.

Chinese Ambassador Tours Pinar del Rio Province

FL2201032193 Havana Radio Rebelde Network in Spanish 0000 GMT 22 Jan 93

[Text] During a visit to Pinar del Rio today, PRC Ambassador to Cuba Mr. Chen Jiuchang affirmed that his country's government is willing to increase the efforts to raise the level of relations between the two countries, which are aimed at becoming more extensive and promising. Jiuchang considered that in recent years Chinese-Cuban relations have been expanded with positive results. He attributed the recovery and development of relations to the joint effort of the governments of the two countries, especially exchange and cooperation in the economic, political, trade, scientific, technological, educational, and sport fronts.

In the Chinese ambassador's opinion, Cuba can play a very important role in the interest that China is devoting to its relations with the Latin American nations, with which China has points in common because, as the Chinese diplomat said, just like us, they are involved in tasks such as developing their national economies and defending their state sovereignty and independence.

Mr. Chen Jiuchang and part of his diplomatic corps met today at the Cuban Institute of Friendship With Peoples by Fidel Ramos, a member of the Central Committee and the first secretary of the Communist Party of Cuba for Pinar del Rio, who offered the visitors information on the basic agricultural production in the province and the province's total recovery from the damages caused by the last rainstorms.

In a fraternal dialogue, the PRC ambassador gave his impressions on the efforts of the Cuban people to overcome the current difficulties of the special period and the progress that he had been able to see in that regard, which he considered are also due to the wise leadership of the party in Cuba. Afterward, the Chinese delegation toured the Vinales complex, the main tourist center of Pinar del Rio Province.

* Commentary Criticizes Pilot's Rescue of Family

93P40095A Havana JUVENTUD REBELDE in Spanish 27 Dec 92 p 7

[Commentary by Jorge Martin Blandino]

[Text] All last week international press agencies responded to the "show" that was put on last Saturday, 19 December, in Miami when a small plane from the United States endangered the lives of other citizens by landing irresponsibly on a highway open to traffic near Varadero in order to take illegally three people out of the country.

The protagonist of the spectacle, Orestes Lorenzo, has the proven qualities of a fake. This individual is a traitor of the highest degree because of the extreme duplicity he used to portray himself to his comrades as a revolutionary, all the while planning his vile desertion of the Armed Forces; and above all, for his action at the highest level of betrayal: his cowardly flight to the United States—at that time forgetting his family—during an extremely difficult and dangerous period for his country.

Since then he has done the unthinkable in order to win the sympathy of the U.S. Government and the worms in Miami, forswearing everything he defended and harming those who were his comrades in arms. An example of his deceit are his laments over the alleged "persecution" of his wife by Cuban authorities. How then does he explain that she was able to receive openly foreigners, put together a plan, and travel to the designated spot for their flight, without anyone harrassing her?

As was appropriately reported, Orestes Lorenzo took advantage of the confidence placed in him to steal a plane and flee to the United States in March 1991.

The United States, which at that time was unable to detect a MIG-23 before it landed at one of its airports, now attempts to doubt the effectiveness of our country's defense because a harmless small plane was not intercepted.

The people who direct the Cuban antiair defense system have always acted with the utmost care and responsibility toward the dozens of civilian aircraft which circulate daily above our territory, some of which even violate established international air corridors. This responsible and calm attitude explains why, in spite of the threats and tension to which we are submitted, a civilian plane has never been shot down.

The pilot of the small plane could have been an innocent tourist who had lost his way, an executive of a North

American company or an airplane which was truly in trouble. This is the risk which most likely motivated the responsible authorities.

What is truly dangerous is the fact that the Defense Department and the President of the United States himself prefer to publicize the "show" and encourage the spectacular nature of Lorenzo's action. This makes one think, not of an individual initiative, but of an adventure supported by the outgoing U.S. administration, which is committed to the counterrevolutionary worms in Miami.

If the approach of a small plane were capable of provoking an emotional reaction from the Cuban authorities, and if the order were given to open fire against any small aircraft violating our territory, air traffic in the region would become extremely dangerous.

What kind of an uproar would ensue if an antiaircraft missile or a Cuban MIG were to down a small plane with children on board? But it is not the outrage which concerns us; our ethical and human principles lead us to prefer the risk that an act such as this go unpunished, rather than endanger innocent lives.

The traitor's skill, embellished by the press as a great feat, may surprise the U.S. public, but those skills are present—and even surpassed—in hundreds of our Air Force pilots whom Lorenzo betrays by his action every day. These skills, though they may surprise those who intend to attack us, are well known to our people!

Haiti

Clinton, Baena Soares Refuse Nerette Delegation

FL2601235593 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 26 Jan 93

[Text] Any decision aimed at restoring Aristide's power in Haiti will lead to civil war and foreign occupation for several years. According to the Mobilization for National Development [MDN], this statement was made in front of Bill Clinton by the Haitian delegation to the inaugural ceremony of the new American president. The Haitian delegation consisted of Attorney Joseph Nerette, Dr. Hubert De Ronceray, and Attorney Francois Latortue, who spent one week in Washington.

In a report published on the mission of that delegation, the MDN advises that at the end of their stay, they handed over a very important file to the Clinton Administration and the OAS. The same report says that President Nerette denounced the significant damages the embargo has caused the country, an embargo which he considers an injustice. He also told Baena Soares, the OAS secretary general, that it is not possible for plans to be made to invade the Haitian territory with observers who will come to pave the way for President Aristide's return.

The news we received on 23 January reported that the OAS secretary general refused to receive Joseph Nerette at OAS headquarters. The secretary general of the OAS told the former provisional president that he did not intend, and was not willing, to receive him. That was the second refusal the Haitian delegation met with in Washington. Previous news reported that Nerette, in trying to meet with the new U.S. President, had been told by the Clinton team that such a meeting was not on their agenda. Bill Clinton told the delegation that the United Nations and the OAS had chosen an arbitrator to work on the Haitian situation. That mediator is Dante Caputo.

Government Acknowledges Low Voter Turnout

FL2601170893 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 26 Jan 93

[Text] The consensus government has commented on the latest elections throughout the country. The minister of the interior acknowledged during the recent Council of Ministers meeting that not many people participated in the elections in the capital. The reasons put forward by the minister are that it was only parliamentary elections, that the campaign was not long, and not to mention that there were not ideological problems [as heard] in these elections.

The minister of the interior pointed out that the Department of the West is the biggest one in the country but there were not many candidates in this department so the decision was made by the Permanent Electoral Council to invalidate those elections. The situation was, however, different in the other departments either because of the personalities of the opposing candidates or because of the people's mobilization, according to the minister of the interior who pointed out that there was more participation in the 18 January elections than in the second ballot of the [16 December 1990] elections held on 20 January 1991.

PSCH Leader To File Suit Against CEP

FL2601161193 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 26 Jan 93

[Text] Approximately a week after the Permanent Electoral Council [CEP] published the final results of the 18 January elections, several candidates continue to complain about the results. The leader of the Haitian Social Christian Party [PSCH] did not participate in the elections. However, last week he announced he intends to bring a legal action against the CEP, the prime minister, and the entire [as heard] parliament.

This week, Gregoire Eugene denounced false propaganda against the decision he made. According to that propaganda, the steps he is taking might help the ousted president return to the country.

Eugene said that he has decided to bring this matter before the police court because he believes it is time for

everyone to learn to respect the laws and Constitution of the country. The PSCH leader criticized all the prime minister's actions in the country since he took office and said that Marc Bazin as well as the parliamentarians and the CEP fall within the provisions of Articles 28, 85, 92, 95, and 150 of the penal code. Eugene therefore explained that he does not intend to withdraw his decision because he believes that this decision will allow right and moral standards to be restored in Haiti.

Political Parties Sue Electoral Council

FL2701001893 Port-au-Prince Radio Metropole in French 1700 GMT 26 Jan 93

[Excerpts] Nine political parties, including MDN [Mobilization for National Development], MKN [National Cooperative Action Movement], and PAIN [National Agricultural And Industrial Party] have brought judicial action to effect the cancellation of the 18 January ballot results. Rothchild has a live report:

[Begin Rothchild] Good afternoon. The case regarding the nine political parties versus the electoral council has not been heard as planned this morning in the first civil court at the Palace of Justice. The lawyers of the group were detained. The case is postponed for eight days according to the representatives of those political parties demanding the cancellation of the 18 January elections. These political parties, including PAIN, MDN, and MKN, are attempting to prove the illegality of the electoral council that held the 18 January elections. [passage omitted]

Following the eight-day postponement of the hearing scheduled for this morning and announced by the group's spokesman, the electoral council's lawyer, Gilbert Leger, said he does not believe that the plaintiffs have sufficient evidence. [passage omitted]

We learned at the last minute, however, that the group of nine has contacted other lawyers. Clearly, the group intends to assemble another group of lawyers to plead the case.

It should be noted that the Alcindor chambers have until now been in charge of this case. Francois Rothchild, Jr. for Radio Metropole.

Guatemala

Continued Attacks on Electrical Systems Reported

PA2701031493 Guatemala City EL GRAFICO in Spanish 26 Jan 93 p 7

[Text] Guatemala City, 26 Jan—Authorities in charge of investigating terrorist attacks report that there have been more attacks on electrical power and telephone systems.

In San Antonio Suchitepequez three utility poles were felled and security forces were deployed to investigate.

Guatemalan Telecommunications Enterprise [Guatel] Services Were Also Targets of Sabotage

In other action, unidentified people cut Guatel's regional telephone service in Panajachel.

Terrorists destroyed a total of 35 meters of telephone cable, which left the whole area without communications.

Grenade is Found in Mixco, Guatemala

It was also reported that a fragmentation grenade was found near Lot 20, Via Libertad in a San Jose neighborhood in Mixco.

The device was located close to a utility pole, and it is therefore believed that the objective was to affect that pole.

Ten Pounds of Dynamite

Police spokesmen report that demolition experts deactivated a bomb similar to those used by the Guatemalan National Revolutionary Unity [URNG]. Authorities showed the media everything it found at the site where the bomb was planted against an electrical pylon.

The spokesman said that at least one terrorist lost a hand after planting a bomb in Valle de Sevilla, Valle Dorado, San Cristobal City. Experts discovered the detonator was missing, which exploded while a terrorist was preparing the powerful bomb.

Ten Pounds of Dynamite, Gunpowder, and Chlorate

A bomb was made with 10 sticks of dynamite, gunpowder, and chlorate. When demolition experts arrived at the site, they found that they still had 30 minutes left before detonation and proceeded to deactivate the device.

Diplomatic Relations Established With Latvia

PA2601150993 Mexico City NOTIMEX in Spanish 1740 GMT 22 Jan 93

[Text] Guatemala, 22 Jan (NOTIMEX)—The Guatemalan Government established diplomatic relations with Latvia in a ceremony held at the UN Permanent Committee, it was officially reported on 22 January.

Signing the agreement were Julio Armando Martinni, Guatemalan ambassador to the United Nations, and Latvian Foreign Minister Aivars Baumanis [name and title as received].

The declaration stated that the governments would like to increase ties and develop relations of friendship and cooperation at the diplomatic level starting today.

Honduras

President Callejas Addresses Congress 25 Jan

PA2601190693 Tegucigalpa Voz de Honduras Network Spanish 1708 GMT 25 Jan 93

[Speech by President Rafael Leonardo Callejas opening the fourth legislature for the 1991 to 1994 constitutional period at the Congress in Tegucigalpa—live]

[Excerpts] Mr. Rodolfo Irias Navas, Congressional president; Orlando Lozano Martinez, honorable Supreme Court of Justice president; Mrs. Alba Nora Gunera de Melgar Castro, honorable mayor of Tegucigalpa; General Luis Alonso Discua Elvir, chief of the Armed Forces; members of the Supreme Court of Justice; state ministers; members of the Senior Council of the Armed Forces; Roberto Martinez Lozano and Jacobo Hernandez Cruz, the presidential designates; presidents, managers, and directors of autonomous institutions; Your Excellencies the heads of diplomatic missions in Honduras; honorable Central American Parliament president; honorable members of the consular corps and representatives of international organizations; Mr. Comptroller General; Mr. Attorney General; Mr. Director of the Administrative Integrity Office; civilian and ecclesiastical authorities; honorable members of the Board of Directors of the National Congress; special guests; ladies and gentlemen; honorable deputies; countrymen: On this day dedicated to the woman, I take the liberty of sending a respectful salute to women in general and to my wife, Norma, in particular. [applause]

This morning I would like to recognize all Honduran women for their dedicated participation in the country's economic, political, and cultural life, which is not always recognized or valued. [applause]

Our country is enriched by the contribution of its women, who are aware of their rights and duties, of their vital contribution to the progress and welfare of the nation, be it from leading positions in the legislative field; in professional areas of management, education, or the news media; or as midlevel administrators or service personnel. I salute you, dear fellow citizens, on this day.

Countrymen, the building of a nation is a difficult task for its children, when the nation has called on us to make it grow and be respected. We must view the building of Honduras as the joint efforts of Francisco Morazan, Jose Trinidad Cabanas, Jose Trinidad Reyes, Marco Aurelio Soto, Alfonso Guillen Zelaya, Miguel Paz Barahona,

Juan Manuel Galvez, Jose Ramon Villeda Morales, Luis Landa, Jose Antonio Velazquez, Francisco Diaz Zelaya, and Cipriano Martinez, who even today continue their struggle in the mountains to remind us that Honduras belongs to us all and we are all in debt to Honduras. This is why, with deep civic devotion, and immersed in the most glorious patriotism, I can proudly affirm in this sacred hall that I can see with satisfaction how Hondurans today are building our nation on the road to democracy. This allows us to foresee a future filled with opportunities for all of its children. We are building a society of opportunity for all.

Hondurans today must not repeat the mistakes of the past. We have learned that partisan differences are nothing less than the way we express our devotion for the fatherland. We have learned that mutual respect and respect for human dignity are the essential values for peaceful coexistence built through dialogue and founded on civic honesty. We have learned that 110 years of sterile and fratricidal fighting only brought a bloody holocaust among brothers. We have learned that it is really wonderful to embrace another Honduran and feel the very same deep emotion we feel when we embrace the closest and most beloved of brothers.

Our Constitution defines Honduras as a sovereign state of law, constituted as a free democratic independent Republic, to ensure its inhabitants the benefits of justice, liberty, and of economic and social well-being. Honorable deputies, people of Honduras, 1992 is the year in which Honduras reaches perfection in the complete fulfillment of its three elements. The personal element has found its true social direction on the road to democracy. The material element has attained the true recognition of its territorial rights, inasmuch as the International Court of Justice at The Hague, Netherlands, has defined this element of the state, which had remained imperfect for 171 years of our independent life. That is why this morning is of special civic significance, of great importance in the nation's domestic and foreign relations, and of true meaning for everything that each Honduran has done to make sure our country would become a perfect state of law.

I am very pleased to report to the honorable Honduran National Congress that no countryman refused to participate in this task and there are no traitors to the fatherland. [applause]

This is an act of worldwide recognition for our Honduran fatherland, and it is a civic recognition of our greatest value as the children of Hibueras [ancient name for Honduras]. Based on these principles of authentic patriotism, I—being responsible for the state's international policy—on 11 September 1992 invited the Salvadoran president, His Excellency Alfredo Cristiani Burkard, and his cabinet members and other Salvadoran authorities to accompany us in a tribute to God because, as of that day, the Central American border differences were part of history and we could then begin writing the history of a new Central American relationship.

The response was affirmative. The presidents of Central America, the OAS secretary general, the diplomatic corps accredited in the two countries, and representatives of the world's media witnessed how from the heart of America, we showed the world that the problems of international law can still be solved through peaceful means. With the prayers of the Catholic archbishops of Honduras and El Salvador, we symbolically defined the appeal of our people in the search for peace and we set aside the war. The event at El Amatillo is undoubtedly the most important event in our international relations for 1992.

Honorable president and deputies of Congress, I repeat that 1992 was a fruitful year in the international relations of Honduras because we are on the path toward the great Central American fatherland. We have carried out all the administrative and legislative actions that honor this national representation so that as of 1 January 1993, Central America is already walking down the path of economic and social integration. These are important achievements of all Hondurans, who are given credit for these praiseworthy actions.

I am very pleased to report to the honorable National Congress of Honduras that 1992 also marked a year of our sovereignty. We are taking all the necessary steps so that the activities of the political parties and their candidates will be the only factors that determine the election of the legitimate authorities that will lead the state down the path chosen by the people as the best program for the four-year term beginning in 1994. [applause]

Honorable president and deputies of Congress, Honduran sisters and brothers, I give you my word. If the grace of God allows it, citizen Rafael Leonardo Callejas Romero will turn over the Presidency only to the successor who is freely elected by the Honduran people. [applause] The dignity of my family rides on this. These are my obligations as a citizen, and it is my commitment as a man, to whom the fatherland has assigned in this historical stage the highest civic responsibility with which a Honduran can be honored. As of 28 January 1994, Rafael Leonardo Callejas Romero wants only to be the citizen who did for his fatherland what he thought was best, but he wants to live on this sacred soil with the love of his family, the appreciation of his friends, and the respect of his countrymen. I will always be willing to serve in whatever position my beloved Honduras assigns me. [applause]

Honorable president, honorable deputies, I want to explain to the Honduran people the achievements we made in social and economic issues up to 1992 and the most relevant aspects of my three years of government.

When I established the bases for the current administration, I took into consideration the studies conducted on the country's social situation by the Economic Planning Secretariat, the International Labor Organization, and

the United Nations. It was determined that the proportion of homes in the state of poverty in Honduras had risen from 60 percent in 1960 up to 70 percent in 1989. The projected growth of poverty predicted that by the year 2003, 83 percent of Honduran homes would fall below the poverty line. [passage omitted]

With the approval by this sovereign Congress of the investment law, there has been substantial improvement of the legal framework for productive activities by Hondurans and foreigners, establishing the necessary guarantees for the safety of their investments.

In keeping with the agricultural modernization law to assist small farmers, the land fund, and the seed money bond, private rural credit banks will begin operation in 1993. All the agricultural prices, which had been controlled for many years, were deregulated in an effort to increase the farmers' income and encourage new investments in farming projects. As a result of these decisions, agricultural production is growing at a higher rate than the country's total production, reaching 4.9 percent in 1992.

In 1993, the government recognizes the need to promote jointly a new option in the environment. I ask this honorable Congress to approve during this session the framework legislation for the Honduran environment to conserve it for future generations.

In 1993, we will continue implementing actions to improve social conditions and make productive activity more dynamic. To this end, beginning in June, we will make available to the industrial sector $65 million for industrial reconversion. We will be proposing to this sovereign Congress the reforms to the country's financial framework to be able to implement this important credit measure and to prepare national industry to be competitive within the process of Central American integration.

I am also pleased to report that thanks to the results of the good administration of public finances, in 1993 we will have, for the first time, 200 million lempiras available for credits with long-term favorable interest rates. Of these funds, 97.5 million will be available for agrarian reform peasants and small- and medium-sized farmers. In addition, 72.5 million will be available for the solution, construction, and improvement of housing in poor urban areas. This is in addition to the program to build 20,000 houses that my administration is going to execute in 1993. The 72.5 million-lempira program has the objective of creating the conditions so that the highest payment will be 75 lempiras a month per beneficiary. This effort will replace housing in poor urban areas and will cover approximately 15,000 Honduran families.

In 1993, we will also allocate 25 million lempiras to renew the public urban transportation fleet. In 1993, 2.5 million lempiras will be allocated for special financing to provide opportunities for the beneficiaries of the repatriation program, the countrymen who returned under the general amnesty program and who, because of reasons of ideological barriers—incomprehensible in today's world—have been unable to rejoin national life effectively.

We will provide full support to urban transportation in 1993. We will jointly carry out, with the country's main municipalities, a great effort worth more than 120 million lempiras to pave the country's main roads. In Tegucigalpa we will invest with the municipality 75 million lempiras to pave 600 blocks of urban streets. In San Pedro Sula, 11 million lempiras will be invested; in Choluteca, 3 million lempiras; in Comayagua, 2 million lempiras; in La Ceiba, 7.5 million lempiras; in Choloma, 2 million lempiras; in El Progreso, 2 million lempiras; in Catacamas, 1.5 million lempiras; in Juticalpa, 1.5 million lempiras; and in Nacaome, 3 million lempiras; for a total of more than 1,000 paved blocks of basic urban roads. [passage omitted]

The future of Honduran education will demand enormous economic resources. After making consultations and guaranteeing labor stability, we will ask this sovereign Congress to study the legal aspects surrounding the privatization of the Honduran Telecommunications Enterprise to generate a large fund to guarantee the country's education. [applause]

Messrs. deputies: In the past few years the country's epidemiological profile has worsened in terms of existing diseases and the emergence of other health problems such as acquired immune deficiency syndrome and, lately, cholera. Given that the government is responsible for solving this critical health situation, the Honduran Government will create a high-level presidential commission made up of representatives of various sectors of society and headed by the nation's first lady.

Honorable Messrs. deputies, the people and you are witnesses to the work done by the Communications Ministry, Public Works, and Transportation Ministry in building highways and maintaining roads. In addition to this great effort, I am pleased to report that in 1993 we will start a large-scale program valued at more than 250 million lempiras to rebuild and maintain more than 12,000 km of the official secondary road system; 400-600 km will correspond to each department of the country and this will cover virtually 100 percent of our rural roads.

I also want to report the great thrust we have given the agrarian reform process with the help of peasant organizations. In 1992 alone, the National Agrarian Institute distributed 25,608 hectares and benefited 17,000 people nationwide. This surpassed the figure agreed upon with peasant organizations. On 2 February we will distribute 36,000 more land title deeds to show the determination of the current administration in the area of agrarian reform.

Dear compatriots, honorable Messrs. deputies, I must say to the honorable National Congress that the Armed Forces of our nation are an essential factor in bringing

about all the accomplishments of the Executive Branch. With their unquestionable loyalty to democracy, under the professional and austere leadership of their commander in chief, and their growing professionalism, they have become an institution guaranteeing security and constituting a solid base for the fatherland's future. We are aware of the profound reforms required by our Armed Forces created by the prevalence of peace in Central America. We must understand the Armed Forces are aware of their responsibility in the future of our beloved Honduras.

Honorable president of the Congress, honorable Messrs. deputies, the preceding summary of activities carried out by the Executive Branch in 1992, not precluding the respective records of the ministries and public administration institutions, reflect the true situation facing the country given the state's policies.

It is appropriate to point out state policies are based on the principle of permanent dialogue with all national sectors. They were all implemented with the best interest of contributing to consolidate our sovereignty and achieve the well-being of the majorities, who with their sacrifices, have given their best to build our fatherland.

Honorable president of the Congress and dear friend Rodolfo Irias Navas, Messrs. deputies, this is the last year of this legislature and Presidency and I have been honored to preside over it. The cordial relations we have maintained with this Congress have prevented me from ever resorting to the presidential veto in the past three years of government. I will mention a number of concerns that reflect the thoughts of the Honduran people. They are reforms that have to do with constitutional life and electoral processes.

The Honduran people want and demand constitutional reforms in the Judicial Branch. These reforms have already been presented to this sovereign Congress. If reforms have not been accomplished in the past because of disagreement among political parties, I respectfully call on all deputies to please give the Honduran people the satisfaction of bringing about constitutional reforms. These reforms will not be implemented during the 1994 to 1998 term but will undoubtedly guarantee stability and the careers of the honorable Honduran magistrates and judges. Likewise, reform will also guarantee correct and fair application of justice to all Honduran people.

I also request the honorable deputies to grasp the constitutional reforms concept as it relates to decreasing the number of deputies. This is a call the Honduran people have requested and once it is no longer an integral part of the 1993 political process, it will be to the nation's advantage to take some course of action with respect to this issue.

We should reflect on the experiences of past elections. These experiences should propel us to propose reforms to the electoral law that will ensure greater internal flexibility for political parties. Political parties should not be completely subordinated to electoral legislation that inhibits them from acting on behalf of democracy's best interest. Pluralism is vital to the endurance of the country's political institutions. Once those historical moments of crisis within the political parties have been surpassed, we must envision more opportunities for the future. We must free the political parties from the restrictions that current election law holds on them in choosing candidates for public office.

After having solved those issues of mayoral elections through a separate voting system, I hope that in the future we can also expect the same when choosing Honduran deputies. [applause]

I reiterate my commitment to search with the deputies for the Honduran people's welfare. As president, I ratify before you honorable deputies of the political blocks of Congress, representatives of the Social Democratic Innovation and Unity Party, the Liberal Party of Honduras, and the National Party of Honduras, my deepest gratitude for the way in which you have been able to acknowledge, accept, share, and solve the differences that have risen between us. These differences have been solved in what is and should always be the permanent form of government in our country: democracy, the foundation of the people's will. Thank you, and my sincerest appreciation to all of you. [applause]

Central Bank President Denies Cut in Creditor Loans

PA2601204193 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 26 Jan 93

[Telephone interview with Central Bank President Ricardo Maduro by unidentified reporter in Tegucigalpa—live]

[Excerpt] [Reporter] Takashi Miyazaki, Japanese ambassador to Honduras, said on 26 January that Honduras owes the Paris Club several million dollars, prompting certain coutries that have been providing assistance to cut off their loans. What can you tell us about it? Good morning, we are listening to you.

[Maduro] I would first like to mention a banner headline refuting the statements by President Rafael Leonardo Callejas that Honduras' foreign debt was reduced. We have two unrelated things here. The balance of the foreign debt has been reduced, as the president stated in his speech before Congress. The fact that we are going to the Paris Club, or that we owe Japan $258 million does not mean the foreign debt has not been reduced. Japan is simply one of the countries to which we owe. This has nothing to do with the overall foreign debt figure. I would like the reporter to clarify his report because it simply is not true; it is a mistake. The Honduran foreign debt has been reduced. The reason we owe Japan the most money is because the United States forgave $434 million of our debt, which explains why Japan is our biggest creditor, with a balance of $258 million. The United States used to be our biggest creditor, but that country forgave our debt. I have just heard the Japanese

ambassador say the foreign debt is a heavy burden for the future development of our countries, and he is right. He said those debts must be forgiven. He is right about that, too.

The United States set the tone when they forgave over 80 percent of the debt we owed them. Other countries, including the Netherlands, Switzerland, the UK, and Canada, have forgiven major sums and whole amounts, which is why the foreign debt has been reduced to the amount noted.

The ambassador said certain payments are in arrears. He is right, but the sums in arrears are contained in the Paris Club agreements. When one goes to the Paris Club meeting, a group of countries to whom we owe money, all those payments due from the previous Paris Club agreement are refinanced. According to the policy and guidelines of those pacts, a country goes to those meetings, and its debts are refinanced or partially forgiven. Starting from the date in which refinancing is made, we are authorized to fall behind in our payments until we go to the next Paris Club meeting.

From a legal standpoint, we are not totally in arrears because we have been authorized to fall behind in our payments. This amount is going to be refinanced at the next Paris Club meeting. Now, we have not yet signed the agreements stemming from the Paris Club meeting or from bilateral meetings with Japan. If I am not mistaken, the deadline has not yet expired. For that reason, when we sign bilateral agreements with Japan and the other Paris Club members, we will not be in arrears. Legally speaking, we will not be in arrears. Creditor countries have not suspended their reimbursements. I did not listen very well to the remarks by the Japanese ambassador, but I can tell you none of the creditor countries has suspended its reimbursements. [passage omitted]

Azcona Denies Bush Requested Contra Assistance

PA2701022293 Tegucigalpa EL HERALDO in Spanish 26 Jan 93 p 26

[Text] On 25 January, former Honduran President Jose Azcona Hoyos denied that former U.S. President George Bush requested his aid to secretly pass weapons to the Nicaraguan guerrillas.

Azcona told EL HERALDO that the only time George Bush visited Honduras was to attend his inauguration ceremony. He added that after the ceremony he met with his special guest at his office. "We did not discuss the 'contras' with Bush at any time," Hoyos said. He insisted that Bush never asked him to allow weapons to be shipped to Nicaraguan guerrillas through Honduras.

The former president admitted that when his term began he was asked to allow the use of Honduran territory to ship humanitarian aid to the "contras" but not weapons.

He recalled that the U.S. Congress decided not to give military aid to the "contras" once Esquipulas II was signed in 1987. He added that the U.S. Congress even rejected Ronald Reagan's request to send more military aid to the guerrillas after the Costa Rican summit in January 1988.

The former president confirmed that he had received a call from President Bush at the Central American presidential summit in Tela. President Bush requested that he do everything in his power to get the UN observer group in Central America and the International Commission of Support and Verification to go to Nicaragua after the Nicaraguan elections.

Hoyos recalled that on one occasion a CIA representative asked him to deliver residual war materiel to the "contras" at the Nicaraguan border. My government, however, opposed the action and the operation was never carried out.

It is Hoyos' opinion that the Iran-Contra case is of no importance because the situation in Nicaragua is different and the world has changed.

Hoyos insisted that the "contras" did not receive military support through Honduras while he was president. He said the guerrillas received humanitarian aid through Honduras that was under the supervision of the International Red Cross.

Nicaragua

UNO Coalition, 'Center' Deputies Decide To Meet

PA2601200293 Managua LA PRENSA in Spanish 23 Jan 93 p 10

[Report by Felix Navarrete]

[Text] Even though their political positions seem well-defined and antagonistic, a commission of National Opposition Union [UNO] mayors decided on their own to meet on 22 January with a group of coalition deputies (now in opposition) and "center" group deputies to find a negotiated solution to the parliamentary problem.

After nearly a day with lots of explanations, details, and inner circle information of what happened in this parliamentary conflict, UNO mayors and UNO and "center" deputies agreed that negotiations are not over. Even though they seem to be at a stalemate, "there is room for agreement."

Matagalpa Mayor Frank Lanzas was one of the deputies who took part in the two meetings. He showed his optimism that the Legislative Assembly situation will be resolved through negotiations." [no opening quotation marks as published]

"Someone had to take the initiative," Lanzas said, following both meetings, which he described as "fruitful and clarifying" for the deputies who have taken the initiative to act as mediators in this conflict.

"If we do not find a solution, I believe the church could help resolve this conflict," the Matagalpa mayor said. He has shown a special interest in promptly solving this parliamentary situation.

"We (the mayors) have the will to solve this, and despite the different positions, I do not see any stubbornness on either side," Lanzas said. He took part in the first stage of the talks with Boaco Deputy Armando Incer, Ciudad Dario Deputy Francisco Trujillo, and Chichigalpa Deputy Ramon Valdivia.

"We will continue the talks as long as we can, Lanzas said. He described the meetings as "refreshing" because "they clarified many aspects of the parliamentary conflict that we did not know about."

UNO Deputy Roberto Urroz described as exploratory the meeting held with the mayors and praised the deputies' attitude to seek a solution to the parliamentary conflict.

He reiterated, however, the position that the current board is illegal because the election of new officers was not called for by the outgoing directors, as house rules specify.

"If they do not respect UNO's rights to continue as a parliamentary majority, I cannot see us negotiating," Urroz said. He did, however, describe good "exploring conflict solution alternatives."

In the opinion of Dr. Gustavo Tablada, who took part in the deputies' meeting as a "center" group member, the 22 January meeting "broke down the wall that had come up against us (the center group). [no end quotation marks as published]

Tablada described as a "great headway" the fact that the UNO mayors agreed to meet with the "center" group deputies, breaking the communications obstacle and overcoming the unilateral information supplied by the 43 coalition deputies who are now in opposition.

Tablada said the "center" wing is willing to "negotiate the makeup of the current board," provided the group of 43 UNO deputies gives in. "If UNO recognizes the current authorities, I believe it would be a good step to sit down and negotiate," Tablada said.

Frank Duarte, first secretary of the National Assembly, restated his disagreement that the National Assembly first vice presidency be occupied by Sandinist Reinaldo Antonio Tefel, a post he believes belongs to UNO.

Duarte blames this situation on the UNO attitude, "as posts become vacant, other fill them," which is what really happened on 9 January when 44 coalition deputies did not attend.

Duarte said the current board will be modified, although he admitted that this negotiating process to change directors could last a few months, depending on the pace of the talks.

The "center" group deputies that met in the morning on 22 January with the mayors are: National Assembly President Gustavo Tablada Zelaya, Second Vice President Ivan Salvador Madriz, Third Vice President Guillermo Chavarria, Alejandro Solorzano, Alvin Guthrie, and Frank Duarte of the Conservative National Action party, acting as National Assembly secretary.

In the meeting in the afternoon of 22 January, the following took part representing the 44 UNO deputues: Nicolas Bolanos Geyer, Miriam Arguello, Julia Mena, Roberto Urroz, Zacarias Hernandez, Adolfo Garcia Esquivel, Adolfo Jarquin, Anibal Martinez, and Francisco Anzoategui.

Recontra Chief Announces Willingness for Dialogue

PA2701013693 Managua BARRICADA in Spanish 24 Jan 93 pp 1, 6

["Special report" by Monica Zalaguett for BARRICADA]

[Text] El Zungano, Quilali—Sitting in the rain in the mountains that delimit this enclave, recontra chief "Chacal" [Jose Angel Talavera] announced his willingness to hold a dialogue with the government "because we are not struggling to topple the government but to force it to respect the rights of others."

Emerging from the jungle, Talavera does not appear to merit his fearsome pseudonym with his calm and friendly demeanor, but days earlier his men ambushed a soldier and murdered the pregnant young woman who was traveling with him and the child that was about to be born.

The public was horrified to see photographs in the newspapers of the charred bodies lying on the country's main highway, but the 3-80 group [Commander 3-80 Urban Struggle Front of the Nicarao Battalion] only "recommended" that civilians refrain from using military vehicles as a means of transportation.

The climate of insecurity that prevails in the northern part of the country has led leaders of the productive sector to request firm military and police intervention to restore order in what they consider an area plagued by crimes perpetrated by groups that grew accustomed to living off war. Others assert that the phenomenon is not limited only to the military and they advise a more general view of the problem.

Javier Pitarky, a CIAV [International Commission of Support and Verification] official who is in charge of maintaining contact between the insurgents and the government and constantly visits the mountains, supported this report completely. A few days ago Santiago Murray, CIAV representative in Managua, refused to allow his organizations to help contact "Chacal."

On the rough trip to El Zungano, we confirmed that Pitarky, a Spaniard, enjoys the total confidence of the insurgents. Humble mountain residents came out of their huts to greet him with affection and a sort of combative fervor as he passed.

At a hilltop enclave between the historic Chipote hill in Segovia and the rocky abyss of Kilambe, where so many fighters died in the past war, "Chacal" and his men claim to have the support of the peasants and a broad social base. "If one of us is killed, two more step forward," Chacal said as he mentioned the death of his brother last week in Quilali.

One of his men, Teodoro Gonzalez, wounded in the previous war and disabled, added—as he rode the mule that enables him to go from place to place—that he and 50 other townspeople joined the troops on 17 January.

"Chacal," 32, who has a high school diploma and is a veteran fighter, explained with a mixture of resentment and anger the reasons that prompted him to rise up and head what the CIAV has described as "the third generation of subversives."

"I was harassed many times although I do not recall having offended a single Sandinist," Chacal said before accusing state security forces of his brother's murder, while Quilali residents blame the murder on criminals who had deserted Chacal's own group. "I am offended that there are so many privileged Sandinists while the commanders who survived the war are now being murdered."

With approximately 25 men surrounding him in a shady spot, the head of the group insisted that rearmament was the only solution to the persecution and the lack of security. "We peasants were persecuted during the Somoza era, the Sandinist era, and the currently implanted dictatorship."

"Chacal" asserts that the subversives do not want to "continue this way," but they are not willing to "get down on their knees to negotiate with a government whose policy has been: you can make me sign but I will never comply." Chacal maintains that the subversives do not want to close any doors "as long as our weapons keep us alive."

He speaks with disdain of the groups that previously negotiated their disarmament and warns that his group will not be bought with money because "this time we peasants are the ones who have the weapons."

Chacal admits to friendship with majors and captains in the Sandinist Peoples Army and says he respects their views, but "we want the Sandinists to struggle within the framework of the law and their party instead of using weapons to dominate."

Esteban, the troops' politician and "Chacal's" brother, confesses that he joined the recontras "because my entire family was in the resistance and this government has failed to fulfill the promises it made to us."

Ernesto, a youth of 16, added that he joined with commander Gringo "because the old resistance defeated the Sandinists and remained in power."

Ernesto says he dreams of living in peace and working the land, but he adds with warmth that he cannot "allow them to deceive us the way they did the first time."

Another subversive, nicknamed "Martin," a former member of the counterrevolution's COE (Special Operations Command), says "I was shot by a member of the Quilali police at the door of my house" and adds that he would only agree to disarm "if the government gives us the right to life and to be free of persecution."

An emphatic position against dialogue and negotiation was expressed by another of the leaders, commander "Guapote," who is famous for forcing his victims to dig their own graves.

"Guapote" asserts that the subversives do not want negotiations "that would be interpreted as a sale of rifles," and he states his willingness to continue fighting and his conviction that "every day we are stronger."

"Chacal's" group combines a variety of interests that range from peasantry to theft to armed supremacy, according to Major Javier Zeledon, chief of staff of Military Region 1.

Some of the subversives use old rifles repaired with strips of wood, but others have new weapons that were rescued from the caches prepared prior to the disarmament. Most of them wear camouflage uniforms similar to those used by the Army, and for the first time they are wearing T-shirts that bear the name of their group 3-80 that—they say—were delivered to them by air.

Asked if they are operating in coordination with political groups, "Chacal" avoids answering but says that the UNO [National Opposition Union] parties are now the true opposition to the government. He also believes that if a plebiscite were held now President Chamorro would only obtain 15 percent of the vote from the Sandinists who support her.

Institute Director Denies Possible Social Violence

PA2601144093 Managua LA PRENSA in Spanish 23 Jan 93 p2

[Report by Felix Navarrete]

[Text] Brooklyn Rivera, director of the Nicaraguan Institute for the Development of the Autonomous Regions of the Atlantic Coast (Indera), denied on 23 January that the Northern Atlantic Autonomous Region [RAAN] could be the scene of social violence because of the legal dispute between Governor Leonel Pantin and Deputy Alfonso Smith.

Rivera said Governor Pantin's remarks, which appeared in the 22 January edition of LA PRENSA, besides being

"false," "try to create confusion among the public and deceive the central government."

"I am alarmed by the news. I want to make it clear that this is a ploy by Pantin to deal a psychological blow," Rivera said, adding the dismissal of the RAAN governor was agreed on during a meeting held on 22 and 23 November because of "his lack of respect for the Regional Council and dishonest acts."

Rivera said there was never any "collusion" between Deputy Smith and the Sandinist councilmen, as Pantin's delegates contend. He said the decision reflected the "little support Pantin has in this region because of his bad administration."

Rivera, who came to our office early 23 January, seized the opportunity to accuse Elacio Holmes, a National Opposition Union leader and Pantin aide, of trying to bring the toxic waste business to the Atlantic Coast with the governor's backing.

The Indera director said that Deputy Smith was elected RAAN governor with 30 votes and that Pantin accepted the result of the elections at that time when he agreed to step down.

Pantin is now in the governor's palace "with his people" and does not want to hold the ceremony to transfer power, which is scheduled for 23 January. Acting in compliance with the Regional Council's decision, the police will guarantee a peaceful transfer of power.

"If Pantin warns there will be violence, it is because his people will try to promote it. We will try to avoid it," Rivera said. He went on to accuse Pantin of "being manipulated by the Sandinists."

Mentioning the amparo petition Pantin filed at the Matagalpa Appeals Court to void the election, Rivera said the judges hold in their hands "sufficient proof that Pantin acted in a deceitful manner."

LA PRENSA tried to learn the Supreme Court's opinion on the matter but was unable to contact the judges.

The Indera official reiterated that Pantin and Holmes have been accused by the Comptroller General's Office of bearing criminal responsibility for the mishandling of RAAN public funds, following an investigation conducted six months ago by auditors of that office.

"That was the fundamental cause of the Regional Council's decision to remove Pantin," Rivera said.

Kruger on Netherlands Foreign Minister's Visit

PA2601134693 Managua LA PRENSA in Spanish 23 Jan 93 pp 1, 10

[Report by Denis Garcia Salinas]

[Text] Jan Pronk, Netherlands minister of development cooperation, traveled to the Nueva Guinea region on 23 January to fly by helicopter over a vast area destroyed by Hurricane Joan in mid-October 1988. A few hours earlier he finished a tight agenda, which included visits to economic projects in Leon and several meetings in Managua with President Violeta Chamorro, other government officials, and Sandinist leaders.

The Netherlands mission, headed by Pronk, accompanied by government officials, visited the SI-A-PAZ Ecological Preservation Project, located along the border with Costa Rica, including a vast area in Rio San Juan.

During his stay in our country, Pronk widely discussed with government officials and members of the Higher Council of Private Enterprise (COSEP) the progress made in the economic, social, and democratization programs promoted by President Violeta Chamorro.

Foreign Cooperation Minister Erwin Kruger said he was surprised by a headline that appeared in a local daily with regard to the visit by the Netherlands mission. The headline said the Netherlands "changed signals" for aid and a subhead read "Government Keeps Netherlands Minister's Visit Clandestine."

Kruger said Pronk's visit has been public and the media has been informed in detail of the activities held by the Netherlands mission in Nicaragua. "This is not a clandestine government, like the previous government."

Kruger wondered what the newspaper's editor seeks by publishing such reports, as the Netherlands "has not changed signals, and the government has begun the second phase of the stabilization plan to create new jobs and help the country's most vulnerable sectors."

On the contrary, he said, the Netherlands has doubled its aid, and the government has used that aid to help the most needy, which did not happen in the past, when government actions "were political and based on propaganda."

Kruger deplored the "suspicious" headline, adding that during 1992 Nicaragua received aid of $800 million, of which $600 million were used in cooperation programs.

He said that Pronk's visit has been "successful" and announced that five foreign cooperation ministers will visit Nicaragua in the next 45 days (Spain, Luxembourg, Norway, Sweden, and Finland).

Netherlands gave Nicaragua approximately $17 million in aid in 1992. In addition, it has condoned foreign debt service payments of $16.5 million for 1991 and 1992.

While in Nicaragua, Pronk visited various projects promoted by the government with aid from the Netherlands, such as the preservation and use of natural resources with the participation of the community in the Los Maribios western mountain range.

Pronk also visited the Utrecht project, which includes houses and improvements to neighborhoods and small enterprises in Leon.

Panama

Anonymous Call Says Bomb at Bridge of Americas

PA2701042593 Panama City Radio KW Continente in Spanish 0345 GMT 27 Jan 93

[Report by Jaime Edgardo Duenas]

[Text] We were returning from broadcasting a baseball game from Chorrera and found a big traffic jam at the Bridge of the Americas [over the Panama Canal]. There are two fire trucks, a large number of fire fighters, police, and members of the Police Investigation and Information Department at the bridge. They did not want to give us information. They only said that an anonymous phone call was received stating that there is a bomb at the Bridge of the Americas. At this time, the bridge is being closed. Fortunately, we were able to cross the bridge. We asked a policeman what was going on and this is what he said:

[Begin recording] [Duenas] I am a reporter.

[Unidentified policeman] Yes, there allegedly is a bomb. We are verifying whether it is true.

[Duenas] Who gave the report?

[Policeman] An anonymous phone call.

[Duenas] They said it was on the bridge?

[Policeman] Yes, [words indistinct].

[Duenas] Perhaps it is a false alarm but one has to do something.

[Policeman] Yes, one always has to be alert. [end recording]

Well, that is what a policeman said at the Bridge of the Americas. They were going to bring some bomb-sniffing dogs from Tocumen Airport. We understand that the bridge is going to be closed. We do not know if that is true but that is what a fire fighter told us would be done to prevent any incident.

Column Asks If U.S. Army Convoy Violates Treaties

PA2601154493 Panama City LA ESTRELLA DE PANAMA in Spanish 26 Jan 93 p32

[From "The Griper" column]

[Text] Far be it from us to want to irk Foreign Minister Julio Linares, but it would be good for him to know that on 24 January, a U.S. Southern Command heavy equipment convoy was traveling on the Panamerican Highway without a Panamanian police escort. Isn't this a violation of the treaties?

Argentina

Atucha-1 Nuclear Plant Activation Postponed

PY2601161493 Buenos Aires TELAM in Spanish 0942 GMT 26 Jan 93

[Text] The breakdown of an interrupter switch for the electrical system, which damaged a transformer, has obliged the authorities of Atucha-1 to postpone the start-up of the nuclear plant, which had been planned for this week.

The Press Office of the National Atomic Energy Commission (CNEA) reported on 25 January that the breakdown was discovered in the course of tasks being carried out in the plant's non-nuclear sector.

The breakdown of the electrical system's interrupter switch damaged the transformer for the internal electrical supply, thus causing a postponement of the start-up operation, which was to have been carried out within the next few days.

Menem Departs for Switzerland 26 Jan

PY2701121293 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1013 GMT 27 Jan 93

[Excerpt] Buenos Aires, 27 Jan (NA)—President Carlos Menem has departed for Switzerland in the company of government officials, congressmen, and businessmen, thus beginning this year's first trip abroad. Menem will stay in Switzerland for seven days.

The new presidential Boeing 757 took off at 2200 on 26 January from Ezeiza International Airport. The president did not speak with the press and limited himself to greeting his advisers who had gone to see him off.

Hugo Anzorrequi, chief of the SIDE [Secretariat for State Intelligence]; Maria Julia Alsogaray, human resources and environment secretary; Armando Gostanian, president of the Mint; former oil union leader Diego Ibanez; Senators Alicia Saadi and Guillermo Snopek; businessmen Osvaldo Cornide and Guillermo Alchauron; and Deputies Octavio Frigerio and Ricardo Re are accompanying Menem on his trip. [passage omitted]

Bolivia

Tupac Katari Guerrillas Arrested in Sweden

PY2601161293 La Paz Television Nacional Network in Spanish 0000 GMT 26 Jan 93

[Text] Interior Minister Carlos Saavedra Bruno has confirmed that two Bolivians, members of the Tupac Katari Guerilla Army [EGTK], have been arrested in Sweden. The minister said that the two Bolivians were arrested last week, and immediately sent to Bolivia to testify before Bolivian courts.

Saavedra added that the people in question are the Etchazu brothers, who are charged with having been involved in the toppling of high-voltage electricity pylons in La Paz in mid-1992. The interior minister confirmed that the Etchazu brothers belong to the EGTK, and not to the Shining Path as had been initially reported.

Brazil

* Members of Franco Inner Circle Described

93SM0117A Rio de Janeiro O GLOBO in Portuguese 20 Dec 92 p 12

[Article: "Itamar's Friends Call the Shots in the Administration"]

[Text] Brasilia—Deputy Gustavo Krause left the Ministry of Finance to eliminate a paradox in Itamar Franco's administration: although he occupied what is traditionally the most powerful position in the republic after the presidency, Krause was never able to be a part of the real power circle in the current administration. Reason: his place and vote had already been taken by a select and closed group of presidential advisers.

It was on their advice, for example, that Itamar made such controversial decisions as those to revise the privatization policy, centralize in his office all decisions to increase the price of public services, and insist on lower interest rates.

The six members of the group participate in decision-making in all areas, but their individual influence varies depending on the matter at issue. Conspicuous in the political area are Senate Leader Pedro Simon and Minister of Foreign Affairs Fernando Henrique Cardoso. In the economic area, the president of the Bank of Brazil, Alcyr Calliari, is the rising star—he denies it, but according to at least three witnesses, he was responsible for the president's determination to lower interest rates. The general adviser of the republic, Jose de Castro Ferreira, is the man who, with Itamar, is changing the rules for privatizing government-owned firms.

The secretary general of the Presidency, Mauro Durante, plays a basic role with the other ministers: he "translates" and "interprets" the president for the others. And lastly, hovering over all the administration's decisions, there is the chief of the Civilian Household, Henrique Hargreaves, who has a hand in everything from the appointment of an inspector at INAMPS [National Institute for Social Security Medical Assistance] to the centralization in Planalto Palace of decisions regarding increases.

Orbiting that core are other assistants, examples being the leader in the Chamber of Deputies, Deputy Roberto Freire, and Ministers Antonio Britto (Welfare) and Jutahy Magalhaes (Social Action). Economist Dercio Garcia Munhoz came close to being admitted to the

inner circle—without a position in the administration but with the right to speak—and this caused a wave of jealousy in the economic area, where it affected mainly Krause. But it is the inner core itself that will determine the new direction to be taken by the administration if the prediction that impeachment will be approved on Tuesday comes true.

Alcyr Calliari: Economic Guru Supports Low Interest Rates

Brasilia—The president of the Bank of Brazil [BB], Alcyr Calliari, is considered by Ministers Henrique Hargreaves and Fernando Henrique Cardoso and by Senate Leader Pedro Simon to be President Itamar Franco's guru in economic matters. His presence is compulsory at meetings by the economic team, where he proves to be very well-informed about the most varied subjects: unemployment rates, wages, interest rates, and even computerization at the Ministry of Social Welfare.

He attracted Itamar's attention by supporting lower interest rates and longer terms for BB lines of credit for the productive sector. Calliari criticized the high profits of Brazilian firms and said that with its current interest rates, Brazil would not resume growth because there was no productive activity yielding a sufficient return to pay for financing.

Calliari, 54, is a native of Santa Catarina. He is married and has a pair of teenagers. A career government official, he retired after 33 years with the BB, where he held the most varied positions related to support, technical staff, and management. Rather unpolished in his manner and a miser whose habits are Franciscan—his friends forced him to buy a new shirt for the swearing-in ceremony—he has a direct way of defending his ideas. It was that same directness which caused a split with former Minister and former bank colleague Mailson da Nobrega (whom the current president of the BB refuses to talk about) and won over Itamar Franco.

"I was chosen because I was not a political appointee and because I have no greater ambition than to do a good job at the bank," he says cautiously and suspiciously when anyone mentions his influence in the administration.

Jose de Castro: 'Vice President's Vice President' Is Always Consulted

Brasilia—Most of the ministers complain that Itamar Franco will not use his pen before hearing the opinion of the general adviser of the republic, Jose de Castro Ferreira. Ministers such as Paulo Haddad (Planning) and Paulino Cicero (Mines and Energy), both natives of Minas Gerais who failed in the first attempt to raise fuel prices, have now stopped their public criticism of the decisions supported in the adviser's report—an example being suspension of the auction for privatizing Ultrafertil—and are trying to improve their relations with Jose de Castro.

On days when they have a meeting scheduled with Itamar, they visit the adviser's office before going up to the fourth floor of Planalto Palace. Since he takes part in all of Itamar's administrative dealings with the ministers, the strategy is to try to convince him first.

Former Minister Gustavo Krause used to joke: "That is the only Minas Gerais solution for dealing with the adviser's Minas Gerais ways. Before talking to the actual vice president, we first visit the vice president's vice president."

Jose de Castro Ferreira responds with irony to the criticisms from the ministries on the Esplanade:

"What do they expect? Do they expect me to throw Itamar into the lion's den? It is not our fault if the other one (suspended President Fernando Collor) did not know how to use this office properly," he claims among friends, taking the opportunity at the same time to criticize Collor.

The friendship between Jose de Castro, a native of Carmo do Rio Claro in Minas Gerais, and Itamar goes back more than 30 years. The two parted company in 1967, when Itamar was running for mayor of Juiz de Fora and Castro chose to support the other candidate vying for nomination by the former MDB [Brazilian Democratic Movement]. Their reconciliation did not come about until eight years later.

Hargreaves: He Controls All Appointments

Brasilia—On the day when he learned, from watching the Globo Network news at 0200, that an official in the National Fuels Department (DNC) had authorized an increase in fuel prices without his consent, President Itamar Franco did not think twice: he got Henrique Hargreaves out of bed to solve the problem. His close relationship and 30 years of friendship with the president, added to the time he spent in Congress, make the chief of the Civilian Household one of the most powerful figures in the administration with his influence on economic decisions, personal advice, and political relations.

The decree placing all decisions regarding increases in the price of public services in the president's hands was written under Hargreaves' direction, and he displayed the extent of his power in another episode as well: the dismissal of Walter Clark, president of Funteve [Brazilian Educational Television Foundation], without the knowledge of Minister of Education Murilio Hingel, another friend of Itamar's who was away at the time. That is not all: no appointment is made in the administration without the knowledge of Hargreaves, who oversees all applications from politicians seeking jobs in public administration.

"I do not even look at it. When something arrives for me, I send it right on to Hargreaves," says the government leader in the Chamber of Deputies, Roberto Freire, who gets along fine with the chief of the Civilian Household.

For good reason. In the 1989 elections, Hargreaves chose to vote for Roberto Freire for president of the republic rather than vote for his friend Itamar for vice president.

That is confirmed by Hargreaves himself, who says: "I could have voted for Itamar only by tearing the ballot in two, since I would not vote for Collor. Since that was not possible, I voted for Roberto Freire."

Mauro Durante: Best Expert on Itamar Franco

Brasilia—Over the past two months, 25 ministers have gotten used to dealing with the president of the republic through an interpreter. He is Mauro Durante, secretary general of the Presidency and a lawyer who, over the past 26 years, has developed a skill that is now paying the highest political dividends in Brasilia: he understands Itamar Franco.

Since August, when the president began abandoning his position as vice president and agreed to talk to politicians and businessmen, Mauro, who was already in charge of Itamar's agenda, also began coordinating the secret part of the plan Itamar had outlined for becoming president.

A former chef de cabinet to Itamar in the Office of the Vice President, Mauro was the only person to participate in all of the current president's secret contacts. They began on the day at the end of June when Senator Fernando Henrique Cardoso (PSDB [Brazilian Social Democracy Party], Sao Paulo), following a talk with his colleague Jose Sarney (PMDB [Brazilian Social Democracy Party], Amapa), crossed the street separating Congress from Planalto Palace to take the first steps toward organizing what was to be the new administration.

Three weeks before impeachment was declared admissible, Itamar realized that he was one step away from taking over the administration, but he had one serious difficulty: he had no information on the country's economic situation. The man entrusted with digging up that information was Mauro Durante, who spoke secretly with a representative of the team working for the then minister of finance, Marcilio Marques Moreira.

"He is what the Americans call a troubleshooter: the man who 'shoots all troubles' and does not let problems reach the president," says one of his friends.

Pedro Simon: Discreet Adviser With Much Influence

Brasilia—Pedro Simon, government leader in the Senate, and Minister of Foreign Affairs Fernando Henrique Cardoso had begun influencing President Itamar Franco even before he took office. If it had been up to Itamar, he would have delayed his swearing-in until five days after the Senate's suspension of President Fernando Collor. It was up to the two men in question to persuade him otherwise, and the swearing-in was in fact moved forward.

Simon, who was very reluctant to accept the post of government leader, is a discreet adviser to Itamar. The two meet daily, and the senator from Rio Grande do Sul is one of those who most stimulate the president's concern with social problems. But he tries to remain in the background so as not to clash with the minister-chief of the Civilian Household, Henrique Hargreaves.

"The only thing I can say is that we have a president who is in charge. No one can doubt his authority," says Pedro Simon.

As government leader in the Senate, however, Simon has already suffered one defeat: he miscalculated the vote on Jose Aparecido's appointment as ambassador to Lisbon. But he had a frank discussion with the president in which he admitted his error. His prestige did not suffer. On the contrary, although he gave the president himself credit for deciding to do so, it was in fact Simon's idea to cancel the speech that Itamar was going to deliver in the National Congress two weeks ago to announce his administration's program. Simon visited the president in Planalto Palace and told him it would not be proper for him, as acting president, to announce a program of economic goals. Itamar Franco took the advice of his leader in the Senate and postponed the speech.

*** Ex-Communists' Ascension in Government Viewed**

93SM0117B Sao Paulo ISTOE in Portuguese 2 Dec 92 pp 24-25

[Article by Marcelo Bauer: "The Converts"]

[Text] *Former Communists of various persuasions are now—who would have guessed it?—achieving power without firing a shot.*

Imagine the following scene. Over a period of two weeks, a group of reporters with communist leanings meets several times to discuss new political plans. They hear from their host, with whom they have had no previous contact, that the time has come for the country to abandon archaic stands and choose modern political models. The new comrade proposes joint action, and the idea is promptly accepted. If the above meetings had occurred in the 1960's or 1970's, it is probable that the items on the agenda would have been the dangers represented by multinational firms from the standpoint of Brazil's economy, Brazil's redemocratization, or the struggle for human rights and amnesty. But the (real) meetings actually took place during the last two weeks of November. And the former Communists were energetically discussing the makeup of the secretariat for the mayor-elect of Sao Paulo, Paulo Maluf. As a result of that discussion, journalist Rodolfo Konder, who until then had been director of journalism for Culture TV, was chosen secretary of culture, thus joining the club of former Brazilian Communists who have recently achieved power by peaceful means—another club member being the government leader in the Chamber of Deputies, Roberto Freire (PPS [People's Socialist Party], Pernambuco). It is the tropical version of the fall of the [Berlin] Wall.

While an appointment by the acting president, Itamar Franco, was all it took to make Roberto Freire leader, Sergio Grando, Freire's party colleague back when their party was called the PCB [Brazilian Communist Party], needed thousands of votes to be elected mayor of Florianopolis. Also promoted through the ballot box was Lidice da Mata, a former member of the PCdoB [Communist Party of Brazil] who is now the PSDB [Brazilian Social Democracy Party] mayor of Salvador. In Sao Paulo, the conversion of former Communists to Maluf supporters began with the publication of a manifesto 17 days before the election's second round of balloting. In that manifesto, 44 signers of various political backgrounds supported a candidate with Maluf's image but did not mention him by name. "I have changed and revised my ideas, so I cannot deny the mayor the right to revise his," explains Konder, a former Communist Party member and Wladimir Herzog's companion in prison until the latter's death under torture in October 1975, after which he was exiled. Konder, who was among those signing the document, was appointed by Maluf on Thursday the 19th and is preparing to take over the Municipal Secretariat of Culture by leaving his former ideological baggage behind. "I cried a lot over the death of socialism—an old dream of mine—but now I consider myself a neoliberal."

The rapprochement between Konder and Maluf occurred following publication of the document *For the Future of Sao Paulo*, which was endorsed by businessmen, politicians, artists, and members of the liberal professions. The document was greeted with rock-throwing by the PT [Workers Party], a reaction that helped transform the timid proposal to begin a courtship with Maluf into an official exchange of vows three weeks later. A former president of Amnesty International and a respected figure among leftists—at least until then—Konder was among those most resentful of the PT revolt. As soon as Sao Paulo Mayor Luiza Erundina's secretary of culture, Marilena Chaui, learned that the document was being prepared—that is, even before its publication—she sent Konder a fax telling him she was disappointed by his stand. "There are people who abandon everything about communism except its authoritarianism," said Marilena, using a play on words that may say a lot more about her than it does about her target. Chaui now finds herself in the uncomfortable position of having to meet with Konder to discuss the transition. "Some members of the old Left are acting as though they were members of a sect," says the journalist, who also received a telegram from Senator Eduardo Suplicy, who was a PT candidate at the time. Konder says: "At the time, I was thinking of casting a blank ballot, but the PT's reaction made me vote for Maluf."

Konder, who belongs to a family traditionally linked with leftist political militancy, also encountered problems among his relatives. His cousin, jurist Fabio Konder Comparato, was irritated by the news. His brother Leandro, who belongs to the PT and teaches at the Federal University of Fluminense and the Pontifical Catholic University of Rio de Janeiro, was also unhappy with the news and lets it be known in conversations within the family, but he tries to downplay the ideological disagreements with a good dose of humor. "We try not to create situations that cannot be ignored in a relationship between two brothers," Leandro explains. And Konder jokes: "He has communism's senile disease: PT-ism."

With the election over, the former Communists turned neo-Maluf supporters earned the status of advisers to the mayor-elect in setting up his secretariat. On Tuesday the 17th—that is, two days after the elections—journalist and former PCB leader Jarbas Holanda, who had been the chief adviser behind the manifesto and is now a defender of capitalism, met with Paulo Maluf for the first time. At a breakfast lasting more than two hours, Maluf asked him to recommend people for the secretariat. Holanda suggested Konder for the post of secretary of culture. On the following morning, it was Konder's turn to meet with Maluf and work out the details. Also visiting the mayor-elect's home on Costa Rica Street that same week were other signers of the document and former Communists, among them journalists Juca Kfouri and Marco Antonio Rocha. More appointments were made. Besides Konder, the group also provided the future secretary of green issues and environment in the person of Werner Zulauf, a civil engineer and former president of Ibama [Brazilian Institute for the Environment and Renewable Resources] who had previously been a member of the PSDB, but it missed the mark with PSDB member Guiomar Namo de Melo, former state secretary of education, who had also signed the manifesto. Closely linked to Senator Mario Covas (PSDB, Sao Paulo), Guiomar ended up being passed over for secretary of education because of pressure from Maluf's lieutenant, Deputy Solon Borges dos Reis, who is president of the Sao Paulo Teachers Center. But she will act as adviser to the city government. "That pluralism creates the prospect that Paulo Maluf will be able to play an important role in reformist liberal leadership," says Holanda. "But obviously, it will depend on the steps he takes."

While the rapprochement between former Communists on the one hand and Itamar and Maluf on the other still surprises some people, such behavior is far from being something new on the Brazilian political scene. After being imprisoned for almost nine years under the New State, Communist leader Luiz Carlos Prestes joined Getulio Vargas on the campaign trail that led to the latter's reelection in 1950. In the decade before that, Vargas had handed Prestes' wife, Olga Benario, over to Hitler's Nazis, in whose hands she died. Decades later, the stand taken by former Communists still causes uneasiness in the Left. "The Right needs a whitewash—a coat of makeup to hide its features—and its purpose is served by citizens such as that journalist," yells Aldo Rebelo, the PCdoB's leader in the Chamber of Deputies. By "that journalist," he means Rodolfo Konder. "I have no doubt that Konder will serve the bourgeoisie well now

that he has fallen into Maluf's arms," says Professor Horacio Macedo, president of the PC [Communist Party], a party formed in January by the group which did not approve of the PCB's transformation into the PPS. "Using so many former comrades in prominent positions shows that the Communist Party is a great school."

Displeasure at Konder's stand is expressed even by Deputy Roberto Freire, who supported the change in his party's name but still defends socialism. In his view, there is no parallel between Konder's participation in Sao Paulo's new city administration and that by the PPS in the federal administration. "Maluf was elected by political forces we do not represent, whereas the Itamar administration is the result of political intervention in which we participated," he says. Besides Freire as leader in the Chamber of Deputies, there is a former Communist in Itamar's cabinet. He is Alberto Goldman, a member of the PCB national leadership in 1985 and 1986 and now minister of transport representing the PMDB [Brazilian Democratic Movement Party]. In his opinion, the presence of so many former Marxists in the administration reflects the changes that have occurred in the worldwide political panorama as a result of the collapse of the East European regimes. "Ten years ago, no administration would have issued an invitation to a Communist, nor would a Communist have accepted such an invitation."

* Mercosur Presidents Reach Accord on Tariffs

93SM0117C Sao Paulo GAZETA MERCANTIL in Portuguese 30 Dec 92 p 3

[Article by Maria Helena Tachinardi: "There Is Time To Deal With Competition"]

[Text] Brasilia—The maximum common external tariff in the Common Market of the South (Mercosur) will be 20 percent, but there will be a single brief list of products that will enjoy tariff protection amounting to 35 percent until the year 2001 and beginning on 1 January 1995. Those sectors—examples being computers, fine chemicals, electro-electrical engineering, and automobiles—therefore have nine and a half years in which to adjust to the 20-percent level by 2001, since they will know as early as June 1993 what their specific rates will be and how those rates will be gradually reduced.

According to Ambassador Rubens Barbosa, Brazilian coordinator for Mercosur, the government feels that domestic productive sectors are adequately protected and that they "will have sufficient time in which to prepare for competition with their Mercosur partners, competition with products from third countries, and competition in other markets as well." Next week there will be a meeting between the Tariff Technical Coordinating Committee, the Ministry of Foreign Affairs, and the National Secretariat of Foreign Trade "to sketch out a strategy for moving ahead with the private sector."

Another decision reached by the presidents of the four Mercosur countries early this week calls for establishing a special tariff system for imports of products subsidized by third countries. That system will be decided on at the first meeting of the Common Market Group following the conclusion of the Uruguay Round of GATT.

The reason for that precaution is that GATT's member countries may no longer be entitled to impose compensatory measures to offset imports of subsidized products if the "peace clause" proposed by the EEC at the Uruguay Round actually wins approval. That clause provides a mechanism that will protect the Europeans from being harmed now that they have agreed to reduce subsidies as a result of the dispute with the United States over oilseeds.

Now that the meeting by Mercosur's presidents is over, there will be tasks for the technical staffs of the four governments, among them preparation of the abovementioned brief list of products in consultation with the private sector and a discussion of the pace at which the 35-percent rate will be reduced beginning on 1 January 1995. Those decisions will have to be ready by the time the Common Market Group meets in April or June 1993.

According to Barbosa, the maximum common external tariff of 20 percent is consistent with Brazilian tariff policy, which calls for an average rate of 14.7 percent effective 1 July 1993 and a modal rate (applied to most products) of around 20 percent.

The biggest problem will be experienced by Paraguay, which already has a maximum tariff of 15 percent today. The Paraguayan Government will have to increase its tariffs to match the common external tariff. Argentina, which currently has a maximum tariff of about 22 percent, is closer to the level in effect in Brazil (35 percent) because it recently introduced a statistical rate of 10 percent. Uruguay has a maximum tariff of about 25 percent.

Barbosa points out that the so-called sensitive sectors, especially agriculture, have not been abandoned by the governments.

In the communique issued by the presidents, they stressed the need for agricultural and industrial conversion, a process that will be carried out with funds from the Inter-American Development Bank (IDB) and the World Bank.

Mercosur's Subgroup 10, which concerns itself not only with the common external tariff but also with the harmonization of macroeconomic policies, is to produce a framework agreement on services by the end of 1993. It will be a kind of preference agreement providing for the uniform treatment of third countries by Mercosur. Countries outside Mercosur will also be treated equally by each of the partners. Subgroup 10 is also working to harmonize national, provincial, state, and municipal tax systems. This year saw the identification of imbalances related to the taxing of remittances of profits, interest, royalties, and payments for miscellaneous services and

the imbalances existing in proposed tax reforms. Scheduled for 1993 are the standardization of tax collection rules and the harmonization of indirect taxes affecting foreign trade.

Chile

Government To Transfer Ship Technology to Malaysia

PY2601211993 Santiago LA TERCERA DE LA HORA in Spanish 16 Jan 93 p 10

[Text] A team of naval engineers and managers from Naval Docks and Yards (Asmar) has set off to Malaysia on a trade mission designed to sell Chilean technology for building highly sophisticated vessels. This could, in the short term, become the starting point of a Chilean-Malaysian "joint venture" [preceding two words in English]. Moreover, it enables Chile to gain a firm foothold in the Southeast Asian market.

The agreement on Chile's transfer of technology and project management undertakings will be signed with the Cushing Shipyard Ironwoods Shipbuilding, in Sarawak Province, which has been building tugboats and other small vessels since 1968. Thanks to Chile's cooperation, the Malaysian shipbuilding industry will be able to build larger vessels, increase its sales, enlarge its operational capacity, and thus be able to reduce costs.

The first contacts were made during the visit by Chilean Defense Ministry officials to Malaysia, followed by the state visit made by the president of the Republic, members of Congress, and businessmen. Now the project has materialized with the trip by Asmar's director, Rear Admiral Sergio Garcia Greene.

Adm. Garcia Greene explained that the agreement will give enormous opportunities to both shipyards and will pave the way for joint ventures in building deep-draft vessels. They initially will build state-of-the-art tugboats, which will be fitted with equipment for putting out fires in vessels and port facilities.

Colombia

Agriculture Minister Receives Support From Gaviria

PA2601161893 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 2300 GMT 25 Jan 93

[Report by Azucena Lievano]

[Text] Agriculture Minister Alfonso Lopez is defending himself again. He said he is going to resign in the next few days to ensure that he stays within political campaign rules and not because of the Arizona land scandal. According to Lopez, he purchased the farm three years ago, requested the property deeds four months before he was sworn-in as minister, and immediately requested that the process be halted. Even so, he says, there is something new every day. Now it is tax fraud, a charge made by Senator Eduardo Chavez.

[Begin Lopez recording] I am not stupid enough to confess, as Senator Chavez wants me to, that I am dodging taxes. I am not dodging taxes. Senator Chavez is saying crazy things. One can only dodge taxes when one earns something or makes some sort of a profit. Here it is quite the contrary; I made an investment, a purchase. [end recording]

The minister strongly criticized the way the topic has been handled.

[Begin Lopez recording] Colombians, a wise people, realize the fantastic frame-up against me. One only needs to listen to Radio Caracol every morning. [end recording]

President Cesar Gaviria took advantage of the controversy to give Lopez Caballero his unconditional support and to recognize his work at the Agriculture Ministry.

[Begin Gaviria recording] His straightforwardness and clarity in these matters convinces me that Alfonso Lopez Caballero will come out of these recent disputes unscathed. I firmly believe in his correct behavior, and I trust that the results of the investigations under way will show that his name continues to be clean and flawless. [end recording]

The Council of Ministers agreed to the agriculture minister's request to appoint an ad hoc minister to handle the Colombian Institute of Agrarian Reform.

Police, Army, DAS Join Forces in Capital

PA2601193793 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 2300 GMT 25 Jan 93

[Report by Javier Dario Restrepo]

[Text] Oscar Eduardo Pelaez Carmona, Santa Fe de Bogota Police commander general, announced on 25 January that any of his men who find a car bomb will be awarded a house. The Army, police, and DAS [Administrative Department of Security] have joined forces to actively protect Santa Fe de Bogota. The main concern is for the city's 5 million inhabitants.

[Begin Pelaez recording] The cooperation we receive from the people of Santa Fe de Bogota for their city's security is exemplary. [end recording]

The most effective assistance is being rendered by taxi drivers through their two-way radio system, which covers the city entirely.

[Begin Pelaez recording] Taxi drivers deserve the police commander's recognition for their assistance during the events that upset the city last week. [end recording]

Police keep a high surveillance profile over the city's key positions. The city is divided into 1,000 sectors, which the authorities cover by a communication network and by air patrols.

These overflights have two immediate effects. One is psychological; they give the assurance of the authorities' presence. The other is strategic; communications with the helicopter allows rapid deployment to any part of the city. The Army works with the police and the DAS to enforce this security plan.

[Begin recording, 13th Brigade Commander Cipriano Quinonez] The 13th Brigade soldiers are to cover the city's entry and exits routes. [end recoding]

The 13th Brigade communications center, which operates 24 hours a day, compiements this coverage. The security corps have made a commitment to care for Colombia's first city day and night.

Army Dismantles Several Cocaine Laboratories

PA2701033593 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 2300 GMT 26 Jan 93

[Report by Azucena Lievano]

[Text] On 26 January the Army deployed troops to several areas where guerrillas and drug traffickers operate and dismantled several cocaine laboratories. The actions took place in the Departments of Arauca, northern Valle del Cauca, and Meta.

While operations to capture guerrillas and drug traffickers have been intensified, the Army has dismantled several laboratories and has confiscated material used to process cocaine.

The Army dealt a hard blow to drug traffickers in Las Coloradas, Cartago, in northern Valle del Cauca Department, by dismantling three cocaine laboratories capable of producing four tons of the drug per week. The operation was carried out by members of the Vencedores Battalion, who found large amounts of chemicals, microwave ovens, and other material used to process cocaine, having an estimated value of 1 billion pesos. No arrests were made.

During surveillance and reconnaissance flights in Arauca Department, the Army discovered four laboratories in Rosa Blanca, jurisdiction of Arauquita municipality, where approximately 20 persons residing in the area worked. Authorities found a station wagon used to transport chemicals, 30 drums of gasoline, 20 packages of lime, urea, buckets, and scales. This is the second time cocaine laboratories were discovered in this area. Five persons were arrested: Eliezer Novoa Bohorquez, Jose Torres, Naul Trillo Rios, Edgar Arevalo Quintero, and Euclides Ballaguer.

Meanwhile, in another operation in El Porvenir neighborhood in Granada, Meta Department, the Army discovered 650 gallons of acid used to process cocaine in a house owned by Jairo Salinas and Miriam Moreno. The narcotics police reported that the owners fled when they noticed the presence of the authorities.

Paraguay

PLRA Leader Supports Dialogue With Mediators

PY2601203393 Asuncion ABC COLOR in Spanish 26 Jan 93 p 9

[Excerpt] Domingo Laino, presidential hopeful for the Authentic Radical Liberal Party (PLRA), who also sponsors the political-military dialogue, on 25 January voiced his satisfaction with the government's reply to his request, and added that he would talk with President Rodriguez' representative. Laino said: "We regard this response as very favorable because we believe that dialogue is the only solid instrument for the peaceful process to democracy. We are willing to hold conversations with the mediators."

He stated that all presidential hopefuls will again be invited to attend a meeting with Interior Vice Minister Juan Carlos Galaverna, who was nominated to represent the government.

Laino said: "I think the meeting could be channeled through the Defense Ministry provided that a political matter will be analyzed with the soldiers, but I also deem it appropriate to do it through the Interior Ministry, which is the government's political institution."

He stated that all presidential hopefuls who signed the preliminary agenda already knew of the government's reply. He added that the date, time, and place for the meeting will be agreed upon with Galaverna. [passage omitted]

President Says Dialogue 'Unnecessary'

PY2601212193 Asuncion ABC COLOR in Spanish 26 Jan 93 p 9

[Text] President Andres Rodriguez has said that it would be totally untimely and unnecessary to hold a civilian-military dialogue now. "It would be inappropriate," the president said, adding that even if there is another request, he will not attend the meeting. "I said on more than one occasion that it would be untimely," he emphasized. He said the dialogue should be held within the Interior Ministry's jurisdiction.

When he was asked yesterday about the initiative by Authentic Radical Liberal Party (PLRA) leader Domingo Laino, who proposed restarting the dialogue, the president categorically replied that "it would no longer be appropriate; it would be untimely to hold a dialogue between the military and civilians." He said the dialogue was initially proposed by the military, "which tried long ago to improve relations" between both sides. "However, they criticized this initiative by the Armed Forces, saying the military should stay in the barracks. We

therefore adopted this position, and I believe today it is totally unnecessary to hold a civilian-military dialogue because the Armed Forces will be the faithful guardians of this democratic transition."

The president noted that he believes political matters should be addressed at the appropriate level, that is at the Interior Ministry. "I believe they will find an answer to their concerns and their interests there. They will be given the solutions or the answers that they need," he said.

Asked whether he has decided to avoid talking about the issue with Laino, the president replied: "Not at all, I do not refuse to talk with people. But I believe it is unnecessary because they are perfectly well aware of the Armed Forces' decision to abide by the Electoral Code and to respect the dates on which the elections should be held. This remains unchanged. What should we discuss then? We know that the elections will be held on 9 May and that the presidency will be handed over on 15 August."

A Curious Note

Contrary to the aforementioned events, Presidential Secretary General Miguel Angel Gonzalez Casabianca yesterday sent a note to Laino saying that "... instructions have been given to the interior vice minister, who is now the acting interior minister, to arrange with those who made the request the date, place, and time that they deem appropriate for the meeting." Casabianca did not refer to the president's refusal to address the matter with Laino.

Peru

Shining Path Rebels Attack Change 90 Offices

PA2701044393 Paris AFP in Spanish 0354 GMT 27 Jan 93

[Text] Lima, 26 Jan (AFP)—Peruvian police report that Shining Path [SP] subversives bombed the ruling Change 90 party's offices in northern Lima, injuring seven people. They also set fire to three buses in different parts of the Peruvian capital on the evening of 26 January.

The ruling party's headquarters in Los Olivos District sustained considerable damage. According to police reports, the explosion also damaged houses located within a 100-meter area.

The increase in dynamite attacks occurs two days before municipal elections are held in Peru. The SP is trying to disrupt the elections with a "compulsory strike" which is scheduled for 28 and 29 January in Lima.

Four police officers were killed by the SP on 26 January, and two SP members were killed when they tried to attack a police post in a busy marketplace.

At the same time as the attack on the Change 90's offices, SP members set fire to three buses—one in the district of Villa El Salvador, located in southern Lima, and two in the zone of Retablo, located north of the capital.

Peasant Defense Patrols Under New Regulations

PY2601225393 Lima EL PERUANO in Spanish 16 Jan 93 p A1

[Text] The government has annulled the regulation, organization, and functions of the Peasant Defense Patrols that were approved by Supreme Decree No. 012-88-IN of 15 March 1988 in order to adjust their organization and operation to the norms and procedures established for Self-Defense Committees.

This was established by Supreme Decree No. 002-DE-CCFFAA, which was published today in the Legal Regulations Section. The adjustment will be carried out within 30 days of the decree's enforcement.

The new regulation aims to improve the efficiency of the two organizations, which were organized in some areas of the national territory to achieve development and social peace.

According to the needs, the new legal instrument will guarantee Peasant Defense Patrol members the same benefits, rights, and duties given to Self-Defense Committee members. The Peasant Defense Patrols were recognized by Law No. 24571, which declared them peaceful, democratic, and autonomous and at the service of the community and without political aims. The new legal instrument also aims to have an effective organization capable of expressing the will and interest of its members without elements that would distort the nature of its objectives.

CCD Approves Creation of 16 Committees

PY2601203993 Lima EL PERUANO in Spanish 16 Jan 93 p A5

[Excerpts] On 15 January the Democratic Constituent Congress [CCD] plenum unanimously approved the creation of 16 committees, which will begin their tasks in the immediate future.

In this respect, the Economy and Foreign Relations Committees were installed. Reynaldo Roberts Billig was elected president of the former committee, and Victor Joy Way as president of the latter committee. Both are New Majority-Change 90 Alliance [NM-C90] members. [passage omitted]

Committees Approved by the CCD

Constitution and Rules and Regulations
Coordinator: Jose Barba
(Democratic Coordinating Board): Thirteen members

Defense and Internal Order
Coordinator: Enrique Chirinos
(Renewal Party): Nine members

Environment

Coordinator: Juan Carpio
(Renewal Party): Nine members

Health and Family
Coordinator: Julio Castro
(MDI) [Democratic Leftist Movement]: Nine members

Foreign Relations
President: Victor Joy Way
(NM-C90): Nine members

Budget
Coordinator: Gamaniel Barreto
(NM-C90): Nine members

Energy
Coordinator: Luis Bedoya de Vivanco
(PPC) [Popular Christian Party]: Nine members

Education and Sports
Coordinator: Roger Amuruz
(NM-C90): Nine members

Economy
President: Reynaldo Roberts
(NM-C90): Thirteen members

Decentralization
Coordinator: Roger Amuruz
(NM-C90): Nine members

Social Security
Coordinator: Gamaniel Barreto
(NM-C90): Nine members

Agriculture
Coordinator: Cesar Larrabure
(FIM) [Independent Moralization Front]: Nine members

Justice
Coordinator: Antero Flores Araoz
(PPC): Nine members

Production
Coordinator: Julio Chu
(FIM): Nine members

Human Rights
Coordinator: Roger Caceres
(Frenatraca): [National Workers and Peasants Front]: Nine
members

Supervision
Coordinator: Pedro Caceres
(Frenatraca): Thirteen members

Economy Minister Reorganizes Economic Team

PY2601225093

[Editorial Report] Lima EXPRESO in Spanish in its 12 January edition on pages A2-A3 carries a 520-word unattributed article noting that newly appointed Economy and Finance Minister Jorge Camet Dickman has begun to reorganize the economic team that will advise him on his economic program.

The article cites government spokesmen, including a minister, as saying that "although the structures of the stabilization plan drafted by former Economy Minister Carlos Bolona will remain unchanged, the economic management will be rescheduled in the short term."

The article cites government sources as stating that "Roberto Abusada Salah has been appointed as Camet's main adviser. Abusada is accustomed to advising ministers of state and has great experience in the public and private area."

The article reports that Abusada is an expert in economy, industry, and foreign trade. In 1980 he was appointed head of the Economy Ministry Commerce Department. Late in 1982 he was installed as Economy Ministry vice minister. At that time he actively participated in negotiations with the IMF. In 1992 he was named chief of former Economy Minister Carlos Rodriguez Pastor's advisers. He is currently a shareholder in the Econsult consulting firm and a representative for multilateral organizations.

Letter of Intent With IMF, Economic Program Viewed

PY2601234293 Lima EL COMERCIO in Spanish 15 Jan 93 p B9

[Text] According to the Letter of Intent that former Economy Minister Carlos Bolona negotiated with the IMF at the end of December, the 1993 to 1995 Economic Program was designed with the essential objective of reducing inflation to a level below 10 percent.

The minister's replacement and President Alberto Fujimori's note to IMF manager Michel Camdessus generated a series of expectations on possible changes in the targets.

After Bolona's resignation, the IMF apparently needed a clear signal of confidence from Peru. This might be the reason for Economy Minister Jorge Camet's trip to Washington.

According to reports from Washington, the Peruvian Government abandoned the idea of modifying the letter.

It should be noted that the government wanted the letter to include the elimination of restrictions on printing money backed by donations in foreign currency, and by soft credits that are earmarked for promoting production and alleviating extreme poverty.

According to the negotiations with Bolona, the targets for 1993-95 are attaining an annual growth rate of 4 percent, alleviating extreme poverty, and restoring the external sector's viability.

In 1993, the public deficit will reach 2.9 percent of the GDP [gross domestic product]. This deficit will be totally covered by foreign financing.

The government's objective is to continue making efforts to increase its income—which will exclude funds coming from privatization—from 9.25 percent of the GDP, which was provided for in 1992, to 10 percent of the GDP in 1993 and 13 percent in 1995.

Inflation control and a viable balance of payments will remain the main objectives of the monetary and credit policy.

The program provides for the gradual monetization of the economy. The money supply and national currency liquidity will grow, in real terms, at a rate higher than the GDP's real growth.

The government also will maintain a floating exchange rate policy in which the Central Reserve Bank will intervene to attain the program's monetary and currency reserve objectives.

Concerning the debt, the government will continue to honor its obligations to international institutions; it will cancel an $870 million overdue debt to the IMF and a $980 million debt to the World Bank.

It should be recalled that the debt owed to foreign government agencies, which includes $5.8 billion in overdue debts, was rescheduled in September 1991.

As part of the financing plan, Peru will ask for a reduction of the debt owed to Paris Club members, with terms that should be consistent with the viability of the balance of payments.

One of the program's main objectives is to significantly improve basic social services, especially in the areas of health, nutrition, and primary and high school education.

In keeping with this, the government is planning to earmark 1 to 1.5 percent of the GDP for social sectors through a comprehensive program against extreme poverty.

A substantial part of those funds will be used for financing—through FONCODES [National Compensation and Social Development Fund]—small-scale investment projects in areas like health, education, rural roads, water supply facilities, sewage systems, and farming in the areas inhabited by the poorest classes.

The program maintains that despite recent efforts to increase social spending, the problem of poverty still remains serious.

With the cooperation of the World Bank and the Inter-American Development Bank, the government will implement—since the beginning of 1993—a new strategy against poverty. Efforts will concentrate on education, nutrition, and health, and will benefit the poor in rural areas, identifying the role played by the various institutions and emphasizing the help received from contributing countries and nongovernmental organizations.

In addition to the emphasis placed on social investment, education programs will be developed to improve the availability and quality of primary education for the poor in rural areas.

Health programs will concentrate on basic health care for mothers and children.

The government will make deeper structural reforms. In 1995, the government will transfer all state-run companies to the private sector.

In June, the government will approve the laws, tax regulations, and a price policy for hydrocarbons, electricity, telecommunications, water supply, mining, and fisheries.

The program mentions items that the government is now developing, like utility rates, which will be set in order to promote efficiency; the private retirement system; the financial system's reform; the new organic law for the banking and insurance superintendency and the Central Reserve Bank; the flexibility of the labor market; the liberalization of commerce; and the temporary suspension of Peruvian commitments within the Andean Pact, among others.

Alleged Border Dispute With Ecuador 'Nonexistent'

PY2601174993 Lima EL COMERCIO in Spanish 14 Jan 93 p A4

[Text] Carlos Torres y Torres Lara (New Majority-Change 90) and Enrique Chirinos Soto (Renewal Party), both members of the Democratic Constituent Congress [CCD], were emphatic in stating yesterday that there is no border dispute between Peru and Ecuador. They both recalled that the only pending issue between the two countries is the placement of boundary stones along 78 km of the border between the two countries.

Torres y Torres Lara, leader of New Majority-Change 90 and former foreign minister, said that the alleged border dispute with Ecuador is nonexistent, as it was definitively settled by the Protocol of Rio de Janeiro.

He pointed out that the only pending issue is the placement of boundary stones along the line of demarcation. To this end Peru has submitted to Ecuador a proposal that the advice of an expert appointed by the Holy See be requested, rather than arbitration by the Pope.

Torres y Torres Lara said that "Peru has proposed that an expert appointed by the Pope suggest the specific places where the boundary stones should be placed, in accordance with the Protocol."

He further stated that both countries shared the view that they must reach agreement and understanding.

With regard to Peru's failure to provide an answer concerning alleged statements made by Ecuador's president, which gave rise to criticism and concern, Torres y Torres Lara stated that in legal terms "silence does not always imply consent. This principle only holds good when it is explicitly established by law."

Enrique Chirinos Soto recalled that President Fujimori proposed expert advice from somebody appointed by the Pope simply to define the demarcation of that small area in which it has not yet been done.

Chirinos underscored the fact that "Ecuador wishes to resort to another type of arbitration, which Peru has deemed unacceptable."

He went on to say that "Peru cannot accept arbitration on a border conflict which does not actually exist."

Chirinos made it clear that "what does exist is a minor problem pertaining to a boundary demarcation, along a few kilometers in the Condor mountain range."

Chirinos termed "serious" the fact that Ecuador's president had put words into the mouth of his Peruvian counterpart, for "he never could have made" such remarks.

He said that the foreign minister, who is also the president of the Council of Ministers, must clear this situation up before the CCD, and added that "there is a silence that must be set right by the Foreign Ministry."

Court Denies Salinas Trial Transfer Request

PA2601194293 Lima Global de Television Network in Spanish 0000 GMT 26 Jan 93

[Text] The request presented by Javier Valle Riestra, defense attorney of Retired General Jaime Salinas Sedo, to transfer the open military trial against his client to a civilian court has been denied. Ret. Gen. Salinas reportedly led the 13 November coup attempt against the government.

Members of the Military Court, presided over by Admiral Roberto Duboc, were seated in their places. Before them, Dr. Javier Valle Riestra made a plea for his client to be tried in a civilian court, based on Legislative Decree 752 issued by President Fujimori. This decree states that only active duty military personnel can be tried by a military court, not retired military officers.

The hearing ended after 30 minutes, and the decision to try Salinas in a military court was reached.

[Begin recording] [Valle Riestra] This law is new; it went into effect only one year ago. No cases of this kind have been presented. There have been instances of trials of retired military officers by military courts on actions committed during their military careers.

[Unidentified reporter] When will those implicated in this case be called to stand trial?

[Valle] I think the trial will begin at 0900 on 1 February. Given that 29, 30, and 31 January are holidays and some appeals and petitions are pending, I think it would be inappropriate to begin the trial before then. [end recording]

The hearing ended in 30 minutes and the decision to try Salinas in a military court was voted on by military court members.

Air Force Lacks Equipment for Night Operations

PY2601202993 Lima EXPRESO in Spanish 15 Jan 93 p A12

[Text] The Peruvian Air Force (FAP) is conducting a specific plan intended to intercept Colombian and Peruvian small planes carrying drugs in the jungle region of Upper Huallaga in an effort to counteract their activities.

This work cannot, however, be intensified because FAP airplanes lack the necessary instruments to intercept the planes during night operations.

Therefore, the small planes equipped by drug traffickers with sophisticated equipment for night operations transport drugs by taking advantage of the military airplanes.

Radars to detect Colombian small planes during night operations will be used again after the resumption of joint U.S.-Peruvian operations.

FAP spokesmen stated that besides the installation of the radars, the U.S. Government must grant financial assistance to provide special equipment for night operations to the Peruvian airplanes, so that they will be equal to those used by drug traffickers. They said FAP airplanes will not only detect an illegal airplane but they will be able to intercept and confiscate its shipment.

Despite these problems, the operations to detect illegal drug trafficking are being conducted in keeping with the plan, and the reinstatement of U.S. radars is being awaited to resume bilateral drug enforcement.

Poll Shows Fujimori Maintaining Popularity

PY2601182893 Lima CARETAS in Spanish 14 Jan 93 p 74

[Text] According to a poll carried out during December by the IMASEN company, Engineer Alberto Fujimori is maintaining his popularity, as 63.3 percent of the citizens apprpove of him. Although it is true that this percentage is four points fewer than during the previous month, and 10 points fewer than in September 1992, when approval for Fujimori hit 73.2 percent, his level of acceptance is still considered high. It must be considered, however, that the poll was carried out only in Lima, Fujimori's stronghold, whereas in the provinces his popularity is becoming increasingly weak.

Venezuela

Police Use Tear Gas During Student Riot

PA2601210793 Mexico City NOTIMEX in Spanish 1841 GMT 26 Jan 93

[Text] Caracas, 26 Jan (NOTIMEX)—At least one person was injured, and 12 students were arrested as a result of the riots which broke out on 26 January east of Caracas, where the police used tear gas and fired weapons in the air to control the situation.

Simultaneously, students from a college in Los Teques, located 25 km southwest of Caracas, burned tires and launched fireworks demanding improvements in the campus. The protest lasted two hours and concluded without incidents, a journalist reported from the site of the incident.

The demonstrators ceased their action after an appeal was issued in Los Teques by Jesus Rojas, secretary of the Miranda State Governorate, and Saul Montiel, commander of the State Police.

Meanwhile, the students in Caracas blocked streets and threw rocks at vehicles along Francisco de Miranda Avenue, one of the main thoroughfares in the Venezuelan capital, where they injured a truck driver.

The police intervened in the incident to stop the demonstrators from setting fire to the vehicle, it was reported by Radio Caracas.

The sources added that the arrested students include the son of Luis Emilio Rondon, assistant secretary general and spokesman of the ruling Democratic Action Party.

CSE Seeks Supreme Court Review of Voting

PA2201200793 Caracas Venezolana de Television Network in Spanish 1550 GMT 22 Jan 93

[Text] The Supreme Electoral Council [CSE] is reviewing the reports on the cases in Barinas and Sucre State. It has decided to forward these cases to the Supreme Court on Monday, 25 January. CSE Secretary Ezequiel Zamora made the announcement, adding that a commission was established to handle alleged electoral offenses. This commission will be in charge of corroborating charges and submitting the files to the appropriate courts for a ruling. In addition, a commission was established to conduct an administrative inquiry into the vote-counting machines. On 26 January the CSE will study the possibility of holding new elections in Sucre and Barinas.

Barboza Sworn in as Acting Governor

PA2401043193 Caracas Venezolana de Television Network in Spanish 0000 GMT 24 Jan 93

[Text] The Legislative Assembly swore in Inocencio Barboza Moran as acting governor of Barinas State. Gehard Cartay, who was proclaimed governor by the Electoral Board, was also been sworn in during a ceremony held at Barinas Bar Association headquarters. Cartay announced he will assume his responsibilities in an office at the Bar Association facilities.

Cartay, who was accompanied by Falcon State Governor Aldo Cermeno and other leading politicians, announced an opposition governors summit will be held in Barinas State on 28 January.

Acting Governor Barboza continues to work at the governor's official offices while the Supreme Court of Justice settles the conflict caused by the presence of two governors in that state.

Perez Meets Officials on Results

PA2601200993 Caracas Venezolana de Television Network in Spanish 1550 GMT 26 Jan 93

[Text] The Board of Directors of the Supreme Electoral Council [CSE] and President Carlos Andres Perez held a meeting to analyze possible solutions to the problems in Sucre and Barinas where, as you know, two candidates have been proclaimed winners in the gubernatorial elections.

The meeting took place at Miraflores Palace, where the need to reform the Electoral Law, to automate the process, and to ensure the necessary Executive Branch support to make this come true were also discussed.

Concerning the situations in Sucre and Barinas States, political options are being sought to resolve the problem, always within a legal framework.

[Begin recording] [Unidentified reporter] Will the government present a solution to this problem?

[Unidentified CSE member] Dr. Urbina, a member of the CSE, has proposed holding new elections. But this requires the implementation of the law to promote and remove governors. In other words, governors must resign so that the Legislative Assemblies of each state can call for new elections. [end recording]

Perez Opens Special Congress Sessions

PA2701014293 Caracas Venezolana de Television Network in Spanish 1630 GMT 26 Jan 93

[Address by President Carlos Andres Perez on the occasion of the opening of the Third Legislative Chambers Extraordinary Sessions at the Miraflores Presidential Palace in Caracas—live]

[Text] Mr. Senate President, Mr. President of the Deputies Chambers, Mr. Senate Second Vice President, Gentlemen Members of the Deputies Chambers Commission: I greet with satisfaction the announcement that Congress has met in extraordinary sessions during the month of January in order to discuss several bills of national importance. These bills are anticipated by the country. I am referring, as has already been pointed out

by Senator Luis Vera [second vice president of the senate] and Deputy Cesar Perez Divas, to a collection of legislative norms that will modify several bills that require updating. I am also referring to tax legislation that requires immediate action so the reforms that are being implemented by my government which are aimed at modernizing the Venezuelan economy may have full effect, and for the country not to fall again into an inflationary spiral that may lead us to lose all the sacrifices undertaken during the four years of my administration. Those fiscal proposals have been undergoing an evaluation by Congress since 1990. They have become part of the reform plans suggested by my government, and the absence of such legislation has been one of the reasons we are facing a fiscal deficit that seriously threatens the future of the Republic. Most of all, this fiscal deficit also threatens the next administration. The current year, 1993, which is also my last year in office, can be resolved. However, if those bills are not passed, it will have to be done by dangerously increasing the country's national debt. The next administration would thus be forced to face very severe and difficult situations somewhat similar to, but not as serious as, the situation I encountered when I began my administration.

I am referring sincerely to this issue because we are at a very decisive moment in the life of our nation. As has been stated here today by some chamber representatives, and as I have insistently said in my speeches, there is a moment in national life when it is necessary to rectify mistakes and omissions that we have been perpetuating for several years now. These mistakes and omissions are the reasons behind the severe problems we have been confronting lately. These problems have become more evident now that the country has received a warning with respect to the fact that oil cannot be the prescription to all our difficulties. Crude oil has been and will continue to be a fundamental instrument in our development. Nevertheless, we cannot allow our country's economy to rely on this resource. This is a true fact that should propel all of us to reflect on the need for the reforms that have been suggested during my administration.

I hope and trust that Congress will confront this challenge. I have stated on several occasions that it is unfair to say that the national Congress has not performed its duties. I have stressed this during those memorable opportunities when I have met with the various legislative commissions. There are many bills, there are many debates that have passed through the legislative chambers during the past four years of this administration. However, without any doubt, Congress has an obligation to the Republic.

And that obligation must be met in these special sessions and the upcoming sessions, which will be the last sessions over which I will have the honor to preside.

Once again, I trust and hope that this will be the Congress' answer. It is not the solution for a government. It is not the solution for a party or president. Rather, it is the solution the country is hoping for after enduring difficult hardships under the commitment and promise that we made that this is the beginning of a new reality and era of prosperity for our country.

The government is not alone in this commitment. We, the Executive and Legislative Branches, Congress and government, share this commitment, whether we want it or not.

Throughout these five years, we have approved and developed plans aimed at reaching the aforementioned objective. And we cannot, under the excuse of inflicting serious damage to the country, interrupt or suspend such plans.

Fellow Venezuelans who are listening to me on radio and television, there is no reason to fear the actions of Congress, which has accompanied us in the difficult tasks of the Executive Branch.

Other problems affect us, and we must solve them. This is part of the special sessions' agenda, which began on 26 January. Among them are the reforms to the Electoral Law. I must rejoice over the fact that the representative of the Chamber of Deputies, who is also a member of the Social Christian Party, Copei, has clearly spoken about his party's willingness to approve the direct vote in the Electoral Law.

Since I began my electoral campaign in 1988, I proposed, as part of my state reform objectives, the reform of the Electoral Law to incorporate the direct vote system. Regrettably, the parties, even my own party, were not as receptive as they are now. This will result in the fact that all Venezuelans will receive with joy and satisfaction the election of the members of Congress and Legislative Assemblies through the direct vote system in the December 1993 elections. I am very pleased that my stubbornness on this matter is now yielding results.

However, we owe more to our country. I am referring to the voting system. A few months after the first gubernatorial and mayoral elections through direct and secret vote—thanks to the reform we sponsored in this Congress—I gathered the Supreme Electoral Council [CSE] here at the Miraflores Palace to express, as president, my deep concern over the events experienced in the 1990 election. I told them that the country could not tolerate another election with this anachronistic and primitive method, which served us well in the first electoral processes. I offered them the support of the Executive Branch and the necessary resources to modernize the electoral system so that the CSE would carry out the entire process, call for the bid, and buy the voting machines which were required.

Unfortunately, this goal was not fulfilled. On 25 January I was pleased to meet again, here at the Miraflores Palace, with all the members of the CSE to express the same concern. I was pleased to hear that the council was already taking the first steps. And I said—and I will repeat it now to the whole nation—that the national government will provide the CSE with cooperation, all

the aid they may request, and the necessary resources, so that, in an urgent manner, the country is provided with a voting system that may guarantee that after the December 1993 elections we will not have to face a deplorable situation such as the one in which we are unfortunately living in today.

In my New Year's address, I congratulated all Venezuelans, including myself, for the fine example we set during the 6 December elections, which was a dignified response to the coup attempt. Venezuelans responded by turning out to elect governors and mayors and doubled the number of votes during the gubernatorial and mayoral elections of 1990.

Unfortunately, after the electoral process was over, some differences emerged. Those differences have left two states of the Republic, Barinas and Sucre, without governors and placed the Government of the Republic in a very difficult and compromising situation.

As chief of state, I am responsible for the operations of all the institutions of the Republic. As chief of state, I am responsible for the execution of all activities in each of the federal institutions. Unfortunately, that situation is not unfolding properly.

On one hand, some governors who have been elected without that proclamation having been ratified by the CSE have been repudiated by the legislative assemblies of the states, which are fully operational legal organizations. Therefore, this is a very serious situation, which also has practical consequences. At this moment, the federal government does not have the corresponding trustee in which to deposit the constitutional assignment.

A serious situation would arise in Barinas and Sucre if municipal employees, state employees, and those rendering services to these states could not receive their salaries. This situation is a consequence of the crisis we are experiencing, my government's close adherence to the law, and the ethics in the exercise of power that prevent us from taking a biased stance in any of the two situations that have arisen.

We are maintaining our neutrality and holding talks with the political parties and the CSE to try to find a solution through dialogue and the commitment to serving the country. I told the AD and Copei militants that the 6 December elections proved that they held the view of the majority of the people, since they received over 80 percent of the ballots, which was very important for the two parties.

In the face of an opposition to democracy and the political parties that sought to take away the legitimacy of the government, where these two parties hold a majority, the Venezuelan people confirmed their confidence in the political parties in the past elections. I also told them it was not legitimate or acceptable that political parties should bring us to the situation we are now facing because of disputes that could have been very well settled at the CSE.

However, Messrs. Senators and Deputies, I believe in the good judgment of the national political parties. I believe in their sense of responsibility. I hope we will soon find a solution to this problem that undoubtedly has left the country not knowing what to think, and at the same time has also encouraged those who preach against the political parties, which are the foundation of a democratic system, and to those who have acted against the existence of our democratic system. This is our responsibility, and it stands above any other partisan consideration.

The electoral struggle for the presidency, however, appears to be confusing. The offshoot is that political actions become more difficult and that deceptions, which are often inadvisable for the health of the nation's democracy, are employed to try to jockey for positions that can be regarded as lost. I would beseech you and demand of you to put the country's interests above the interests of each political party—no matter how legitimate they may be—and to seek together an adequate solution to this problem caused by the tainted electoral system that we should have ousted from our electoral system since the December 1990 elections.

We must not allow confusing elements to grow in our society. We must not allow views against political parties to grow, as they are already affecting the public. Without political parties, there is no democracy. The political parties have the obligation to prove that the fatherland comes before them. That is the responsibility we have now.

The government will continue to comply with the law. We will strictly adhere to the Constitution and the country's laws. We will maintain a healthy and firm neutrality in the face of the electoral debates, respect all political organizations, and offer the national congress all our cooperation so it may carry out its basic goals for the well-being of Venezuela. We will continue this effort so I can hand over the reigns of power to my legitimate successor in a normal and peaceful manner. Thank you very much Messrs. Senators, Ladies, and Gentlemen. [applause]